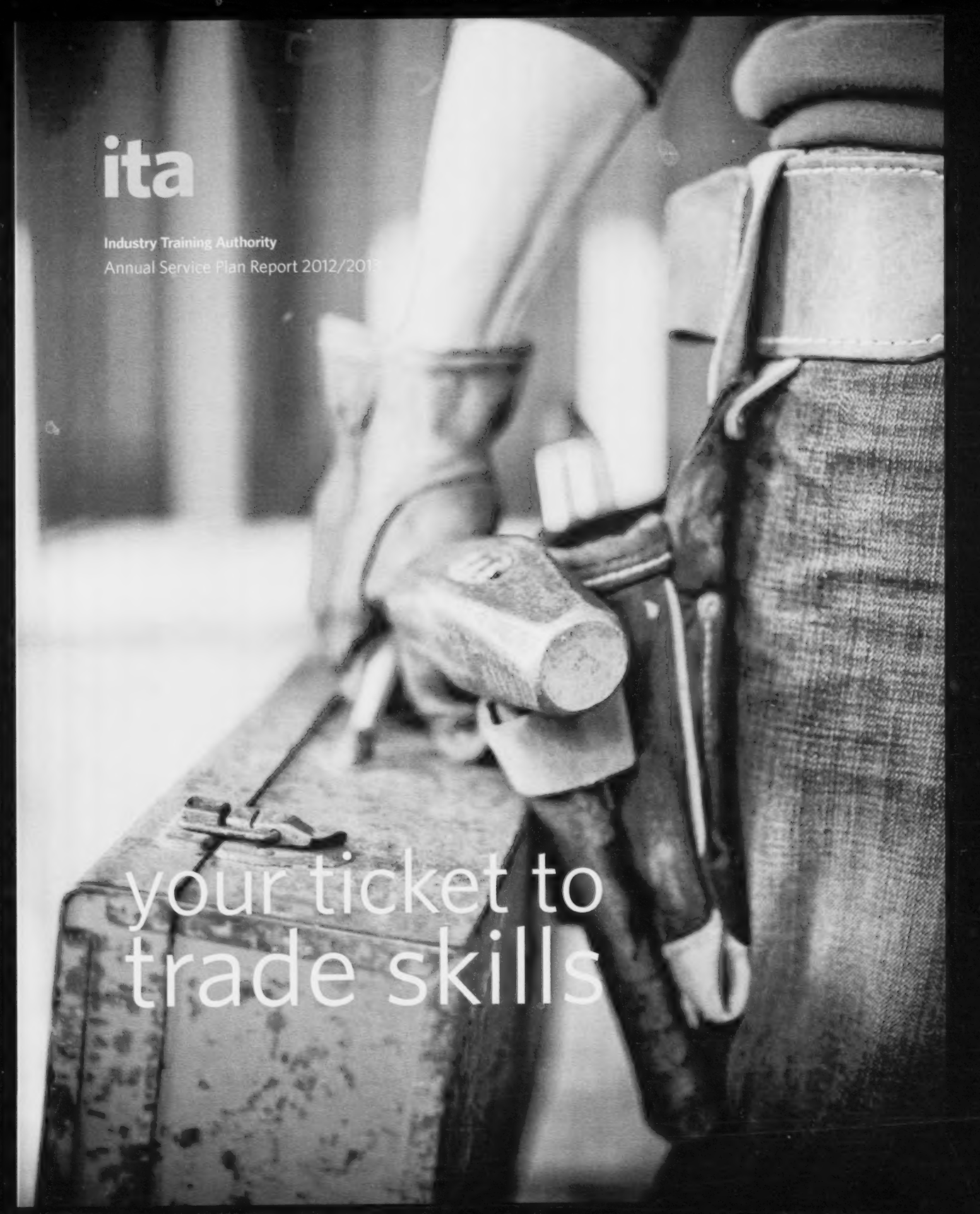

ita
Industry Training Authority
Annual Service Plan Report 2012/201
your ticket to
trade skills

Vision

Highly skilled and productive people making British Columbia's industries prosperous and globally competitive

Misson

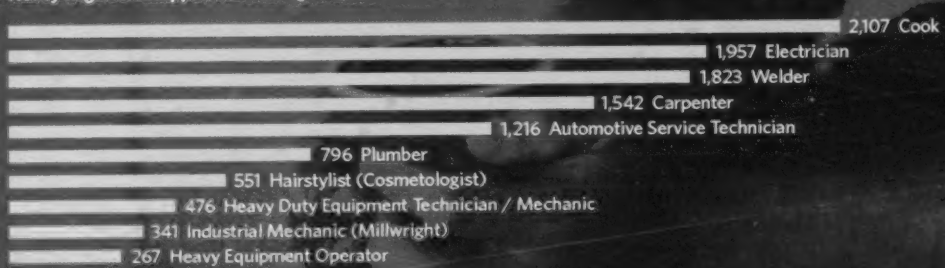
To lead British Columbia's industry skills training and certification system through collaboration and innovation

Top Training Programs

Registered Apprentices as of March 31, 2013

All other programs: 10,668 | Total Registered Apprentices: 35,041

Newly Registered Apprentices during 2012/13



All other programs: 4,385 | Total Newly Registered Apprentices: 15,461

Figures include youth participants and exclude foundation program participants

ITA met its targets for all 2012/13 performance measures with the exception of the number of registered sponsors. Economic conditions and hiring caution are believed to have resulted in a continued declining trend, although the rate of year-over-year decrease moderated.

In the case of the index score measures, the 2012/13 target was to establish baseline measures. The two satisfaction index scores are treated as a single performance measure.

Detailed discussion of performance outcomes is found on pages 10–13.

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ITA PERFORMANCE MEASURES SUMMARY 2012 - 2013

number of new credentials issued to BC workers Target: 7,500 — **8,042**

number of registered sponsors that helped make that happen Target: 9,500* — **9,188**

dollars ITA invested per credential issued Target: $14,222 — **13,190**

satisfaction index score for credential holders — **86**

satisfaction index score for employers of credential holders — **78**

value index score for sponsors — **76**

percentage of foundation program participants who continued to apprenticeship Target: 42% — **51**

percentage of ITA-funded technical training seats used Target: 88.5% — **89.6**

Index scores out of 100

* only target not met

MESSAGE FROM THE BOARD CHAIR

To the Honourable Shirley Bond
Minister of Jobs, Tourism and Skills Training
and Minister responsible for Labour

A secondary school student looking for further education and strong career prospects... a single parent needing more rewarding employment... a recent immigrant wanting to receive BC certification for skills acquired offshore... a small employer mapping out a training and human resources strategy... and a BC taxpayer eager to see his province achieve its full potential.

These are just some of the people for whom the work of the Industry Training Authority (ITA) is indeed "their ticket". A ticket to a better career and life for many, and a ticket for BC as a whole to grow the depth and breadth of skills in the trades that are critical to our economic success.

More specifically, "ticket" is trades lingo for the credentials awarded when people have successfully finished an apprenticeship or an assessment of their existing skills. This is the core outcome of ITA's work, and in 2012/13 — with more than 8,000 such credentials issued — performance was once again strong and above target. ITA continues to manage a system that is producing record numbers of certified skilled tradespersons just when the economy needs them most.

Moving the Levers

The cloud on the horizon continues to be the impact of the recent global recession, and of ongoing economic uncertainty, on employer participation in apprenticeship right across the country. We were challenged for a fourth consecutive year to reach the targeted level of registered apprenticeship sponsors, as we saw a modest decline in this critical form of industry engagement.

While global economic factors are beyond our control, we continued in 2012/13 to focus on local initiatives to accelerate recovery in employer sponsor participation.

This included formal recognition and celebration of the often unsung contributions of employers who continue to provide apprenticeship training, and profiling their testimonials on the strong business case for hiring apprentices.

We also took a series of additional steps to review and increase the level of support available for sponsors and apprentices as they travel their skills training journey.

This included further expansion of resources and services for employers, accessible in a re-designed and re-structured web site, and planning for the introduction of new field staff in 2013/14 as part of an effort to improve continuation and completion rates.

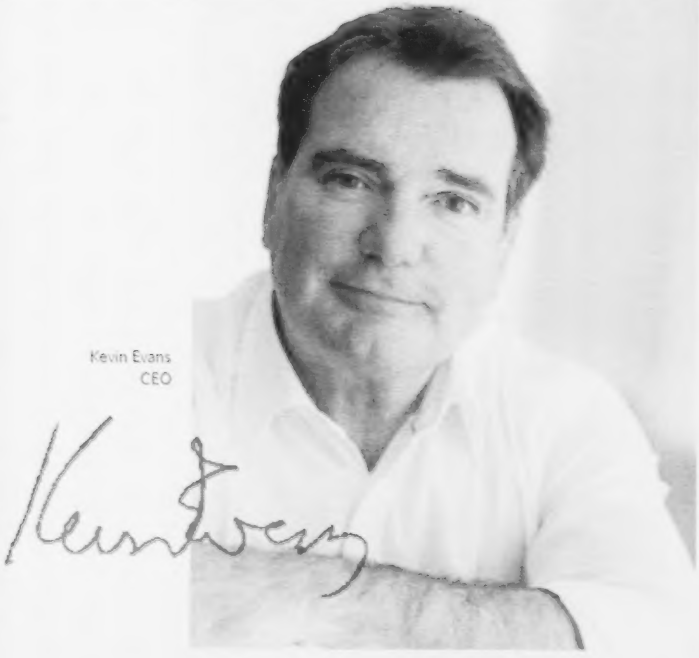
ITA achieved targeted performance on seven out of eight performance measures during 2012/13, falling three per cent short of the target on total registered sponsors. Consistent with this measure, we look important baseline measures of the value current sponsors derive from apprenticeship. Although rated by sponsors as satisfactory, we are nevertheless committed to continuous improvement that will enhance ITA's value proposition to employers.

Similar baseline research was completed with respect to satisfaction on the part of both current employers of certified tradespeople, and of certificate holders themselves.

Reaching Out

These activities were part of a wider suite of efforts to more actively reach out to, gauge the views of, and leverage the expertise that resides among ITA stakeholders. This included regional community dialogues on which our CEO elaborates below.

In response to objectives identified in the provincial government's *Canada Starts Here: BC Jobs Plan — Skills and Training Plan* — released during 2012/13, and a component of the broader BC Jobs Plan — in September 2012 we also heightened our consultation activities in some specific areas. These include strategic research work undertaken on international best practices to inform the competency based development, province-wide consultation for field staff implementation, promotion of apprenticeship specifically with employers, and a youth strategy review with stakeholders to enhance and strengthen ITA's programs.



Kevin Evans
CEO

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

To our Customers, Partners and Stakeholders

One of the keys to continuous improvement is continuous dialogue — with customers, partners and stakeholders. Our core customers are trainees and employers. Our partners include training providers, Industry Training Organizations, government, industry associations and unions. And our stakeholders, most broadly, are all British Columbians who value the connection between skills training and prosperity.

ITA's dialogue "road show" in 2012/13 focused on two questions: First, how can ITA serve its customers and communities better? And, second, how can we increase the number of employers sponsoring apprentices?

If you want answers, I believe, talk to the people directly affected. And they didn't disappoint. Several key themes emerged from a series of community dialogues in Dawson Creek, Nanaimo and Kamloops, highlighting the importance of:

- Reaching youth earlier in secondary school with our messages, and better equipping parents, teachers and peers with the facts on trades careers
- Considering regional differences and distinctions relating to training needs

This included comprehensive consultations that will guide the deployment in 2013/14 of the new field staff mentioned above, to support both sponsors and apprentices.

With the launch of a new ITA brand, improved web site and broad social media presence, we are now active across more relevant communications platforms than ever, and better positioned to promote trades careers. We have continued to refine core tools such as program profiles to clearly map pathways to certification. And our sustained emphasis on youth, women, immigrants and Aboriginal people is key to increasing both supply and diversity within the skilled trades.

Focusing on Fundamentals

Assessment effectiveness remained an important focal point during the year. We continued to develop and phase in standard level exams, tied to the skill levels needed to move from one level of an apprenticeship to the next. In addition to enhancing instructional quality assurance, in future this will enable us to better assess previous learning and slot people into the appropriate level of the apprenticeship stream. We also made further progress towards broader use of competency-based assessment instead of written exams alone. Much of this work was facilitated through inter-jurisdictional collaboration through the Red Seal Program.

Core funding from the province remained at a consistent level, and we continued to access significant additional funding, originating with the federal government, through the Canada-British Columbia Labour Market Agreement. Expenses were moderated in various categories due to improved returns on investments in Industry Training Organization (ITO) services. Soft training demand resulted in a year-end surplus, but at a lower level than in previous years.

While various factors moderated training demand and participation in 2012/13, baby boomers are continuing to exit the workforce and economic recovery and major project development are expected to pick up pace. This underscores the importance of our efforts in 2012/13 to re-engage employers and maintain training capacity.

This annual report was prepared under the direction of the ITA Board, which is accountable for its content and for the internal controls to ensure its accuracy. In accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles, the report reflects performance for the year ended March 31, 2013, with reference to the February 2012 Service Plan. All significant decisions, events and identified risks as of May 31, 2013, have been considered.

Frank Pasacreta
Chair

- Not assuming prospective apprentice sponsors have the information and resources to do what we're asking of them
- The impact that financial barriers can have on apprenticeship completion, especially Employment Insurance rules
- The need for more flexible delivery models and enhanced field support

You can expect to see improvements to our already extensive and successful youth programs in 2013/14 as a result of a thorough check-in with teachers, parents, students and career counselors in the fall of 2012/13.

With only about one in five employers who could sponsor an apprentice currently doing so, the continued need to focus on increasing employer engagement is vital.

We heard apprenticeship testimonials from employers at sponsor recognition events in Terrace, Fort St. John, Kelowna and Victoria. Bob Lenarduzzi of the Vancouver Whitecaps was there with inspiring messages about leadership and mentorship in the workplace. We presented certificates of recognition to hundreds of apprenticeship sponsors, who also provided input on how we can tweak the system to increase the value proposition for employers and attract more apprenticeship sponsors. In April 2013, certificates of recognition were mailed out to all of ITA's 9,000 plus registered sponsors.

We heard dozens of moving testimonials from employers, apprentices and parents encouraging employers to participate in the apprenticeship movement. You can view many of them on our web site.

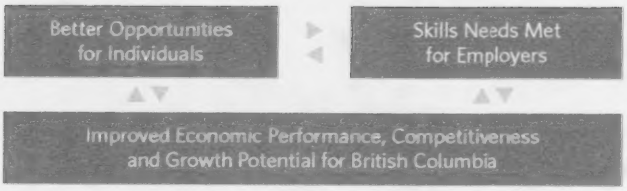
A sincere thank-you to all of our partners, customers and stakeholders for passionate and vital contributions towards our 2012/13 successes and our ongoing pursuit of improvement. I look forward to picking up the pace of dialogue using every means available. And I look forward, with you, to reviewing a year from now the improvements directly attributable to those conversations.

ITA AND INDUSTRY TRAINING OVERVIEW

ITA IS TASKED WITH ENSURING AVAILABILITY OF HIGHLY VALUED CREDENTIALS, AND EFFECTIVE AND EFFICIENT DELIVERY OF TRAINING ALONG THE APPRENTICESHIP TRAINING PATHWAY, IN APPROXIMATELY 100 DISTINCT OCCUPATIONS COLLECTIVELY REFERRED TO AS THE TRADES.

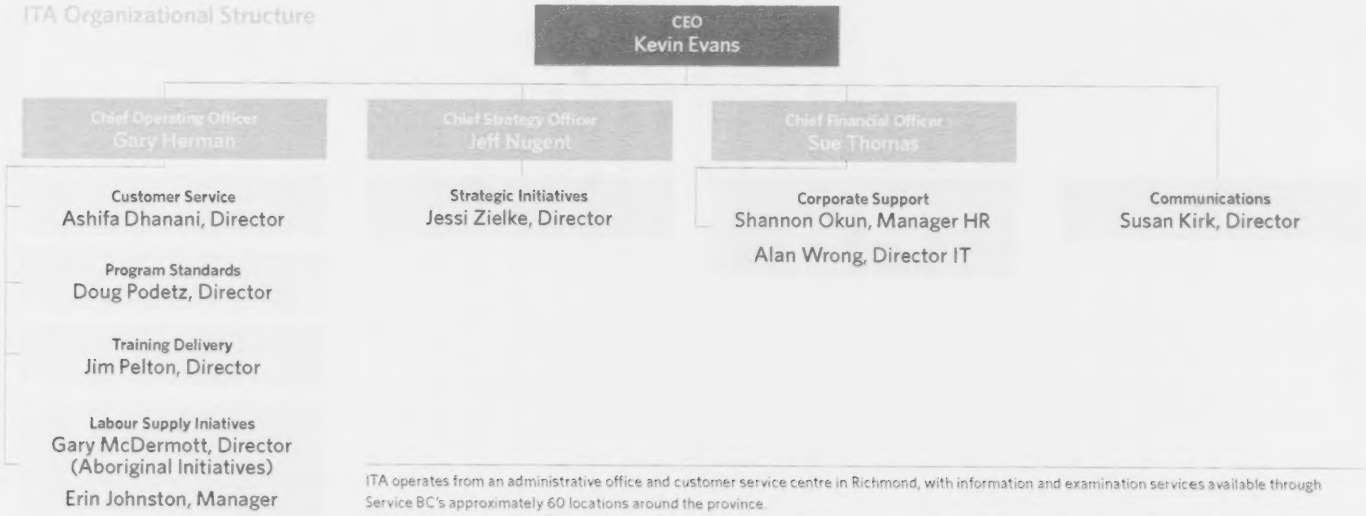
ITA enables individuals to acquire and verify workplace relevant skills, thus improving their employment and career options. Industry training in BC is industry driven. ITA works with industry to align training with current and anticipated labour market needs, thereby giving employers access to the skills they need to operate effectively and to pursue growth.

Public Interests Served


Better Opportunities for Individuals
Skills Needs Met for Employers
Improved Economic Performance, Competitiveness and Growth Potential for British Columbia

ITA's legislative mandate (the *Industry Training Authority Act*) encompasses training program designation, program standards, assessment standards and procedures, issuance of credentials (based on completing training programs or demonstrating equivalent skills), and setting requirements relating to the training delivery it funds.

ITA Organizational Structure



ITA operates from an administrative office and customer service centre in Richmond, with information and examination services available through Service BC's approximately 60 locations around the province.

ITA Core Business Areas

Department	Responsibilities
Customer Service	Frontline services to current and prospective apprentices, other trainees and sponsors; maintenance of records; administration of exams; and first point-of-contact for other stakeholders
Program Standards	Development and maintenance of BC training program standards, and integration of national Red Seal Program requirements as appropriate, in coordination with industry, training providers and other stakeholders
Training Delivery	Management of foundation programs and apprenticeship technical training, in coordination with the public and private trainers contracted to provide these services
Labour Supply Initiatives	Expansion of means of accessing and participating in industry training, with a particular focus on target groups including Aboriginal people, foreign-trained workers, women and youth
Strategic Initiatives	Identification and management of strategic innovation opportunities and special projects aligned with ITA's strategic direction
Corporate Support	Corporate financial management, procurement, human resources management and IT support
Communications	Promotion of skilled trades careers and provision of information to employers, apprentices and challengers to enable them to access training and certification

Training System and Participants

■ Service Delivery Partners ■ Customers

ITA | Governance | Funding | System Management | >$100 million budget

Six Sector-Based Industry Training Organizations (ITOs)

- Automotive Training Standards Organization
- Transportation Career Development Association of BC
- Construction Industry Training Organization
- Go2: The Resource for People in Tourism
- HortEducationBC
- Resource Training Organization

9,188 Sponsors Providing Work-Based Training*

Technical Training Providers (funded by ITA 2012/13)

16 Public Post-Secondary Institutions

28 Designated Private Trainers

53 School Districts

25,097 Training Seats Purchased

31,703 Registered Apprenticeship Program Participants*

3,592 Registered Foundation Program Participants*

3,338 Youth Program Participants*

1,229 Participants in Programs for Women, Immigrants & Aboriginal People 2012/13**

6,620 Completing Apprentices Awarded Credentials (2012/13)

1,422 "Challengers" Awarded Credentials Based on Existing Skills (2012/13)

*year end **targeted numbers

Employer sponsors' provide the work-based training that makes up most of an apprenticeship program.

Non-profit ITOs provide input on training plans and programs, and deliver assessments and other services under agreements with ITA.

Technical training providers deliver the institution-based training that makes up the balance of apprenticeship, under agreements with ITA.

Foundation programs provide a non-employment-based entry point to and partial credit towards completion of apprenticeship.

Various targeted programs are designed specifically to recruit youth and members of target groups (women, immigrants, Aboriginal people) into industry training; they often provide credit towards apprenticeship completion.

Credentials verify that the people holding them possess the industry-defined skills needed to succeed in a specific occupation, and are nationally recognized in the case of Red Seal trades.

MORE SUPPORT FOR CONTINUATION AND COMPLETION

Among a variety of consultation and outreach efforts in 2012/13 was one aimed at determining how regionally dispersed apprenticeship field staff can best support improved continuation and completion rates. This important form of additional support for both apprentices and sponsors was committed to in the provincial government's *Canada Starts Here: BC Jobs Plan — Skills and Training Plan*.

This consultation was informed by extensive background research, and involved public meetings around the province, on-campus outreach to apprentices, and online input opportunities (including webinars specifically seeking Aboriginal perspectives).

Participants were asked their views on how to improve apprenticeship continuation and completion — two outcomes that the work of the field staff is particularly intended to support. Findings will inform the job descriptions and other aspects of their deployment, which will begin in 2013.

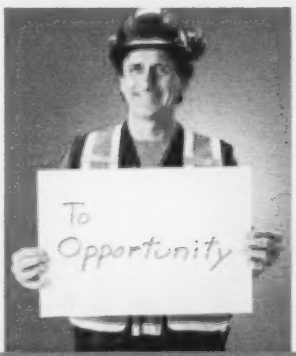
DIRECT ACCESS TO SERVICES AND INFORMATION

The Direct Access online information management system is a crucial connection point between ITA and participants in the training system, and work is ongoing to improve the ease and efficiency with which it can be used.

Among other 2012/13 improvements: it became easier to record apprentices' work-based hours (with options tailored to employers' level of technology use), self-serve access was provided to the information employers need to claim training tax credits, and a sponsor dashboard was added to help facilitate smooth progression and completion.

Direct Access is also an important performance management tool for ITA. Work during 2012/13 enabled tracking through this system of participants in ITA programs targeting women, immigrants and Aboriginal people. This will improve the efficiency and reliability with which these labour supply initiatives are managed and assessed.

YOUR TICKET...



"Teaching young apprentices is very rewarding. You can watch them mature in your classroom throughout the year. I enjoy working with the kids because they are surprised at what they can do."

Gary Regan, Red Seal Carpenter and Secondary School Carpentry Teacher

GOVERNANCE

THE NINE MEMBERS OF ITA'S BOARD OF DIRECTORS ARE APPOINTED BY THE MINISTER OF JOBS, TOURISM AND SKILLS TRAINING AND MINISTER RESPONSIBLE FOR LABOUR, AND ACCOUNTABLE TO THE PROVINCIAL GOVERNMENT THROUGH THE MINISTER RESPONSIBLE FOR THE PERFORMANCE EXPECTATIONS DEFINED IN ITA'S SERVICE PLAN AND IN LETTERS OF EXPECTATION AND SERVICE LEVEL AGREEMENTS FROM GOVERNMENT.

Directors have a fiduciary responsibility to act in the interests of the organization as a whole, rather than representing constituencies or interests.

Directors are appointed for varying terms, based on principles and processes established by the provincial government's Board Resourcing and Development Office (BRDO). Allan Cullen was appointed to the Board during 2012/13, while Jack Carthy completed his term.

Selection criteria and ongoing director development ensure the Board has an appropriate mix of subject-matter expertise and geographic and sectoral diversity, and that it is well equipped to provide high-level oversight of ITA's pursuit of its mandate.

High-level governance related disclosure is provided on the ITA web site at www.itabc.ca/leadership/board-directors. Additional documentation, including materials meeting BRDO disclosure recommendations, is available upon request.

Board of Directors

Members	Key Roles	Principles and Key Practices
Frank Pasacreta (Board Chair and ex officio member of all committees) Allan Bruce Allan Cullen Jack Davidson David Fehr Tom Kirk Kurt Krampl Patty Sahota Laura Stanton	• Accountable to the provincial government through the designated Minister responsible for ITA • Set vision and strategic direction in alignment with government priorities for senior management execution • Ensure risk-management measures are in place • Ensure effective use of resources • Hold management accountable for defined performance results • Report to government, stakeholders and the public	• Directorial independence • Meaningful management oversight through close working relationship with CEO • Adherence to Code of Conduct and Conflict of Interest Policy • Continual improvement through annual governance assessment and best practices monitoring • Clarity and transparency regarding governance practices

Committee: Finance (Audit)

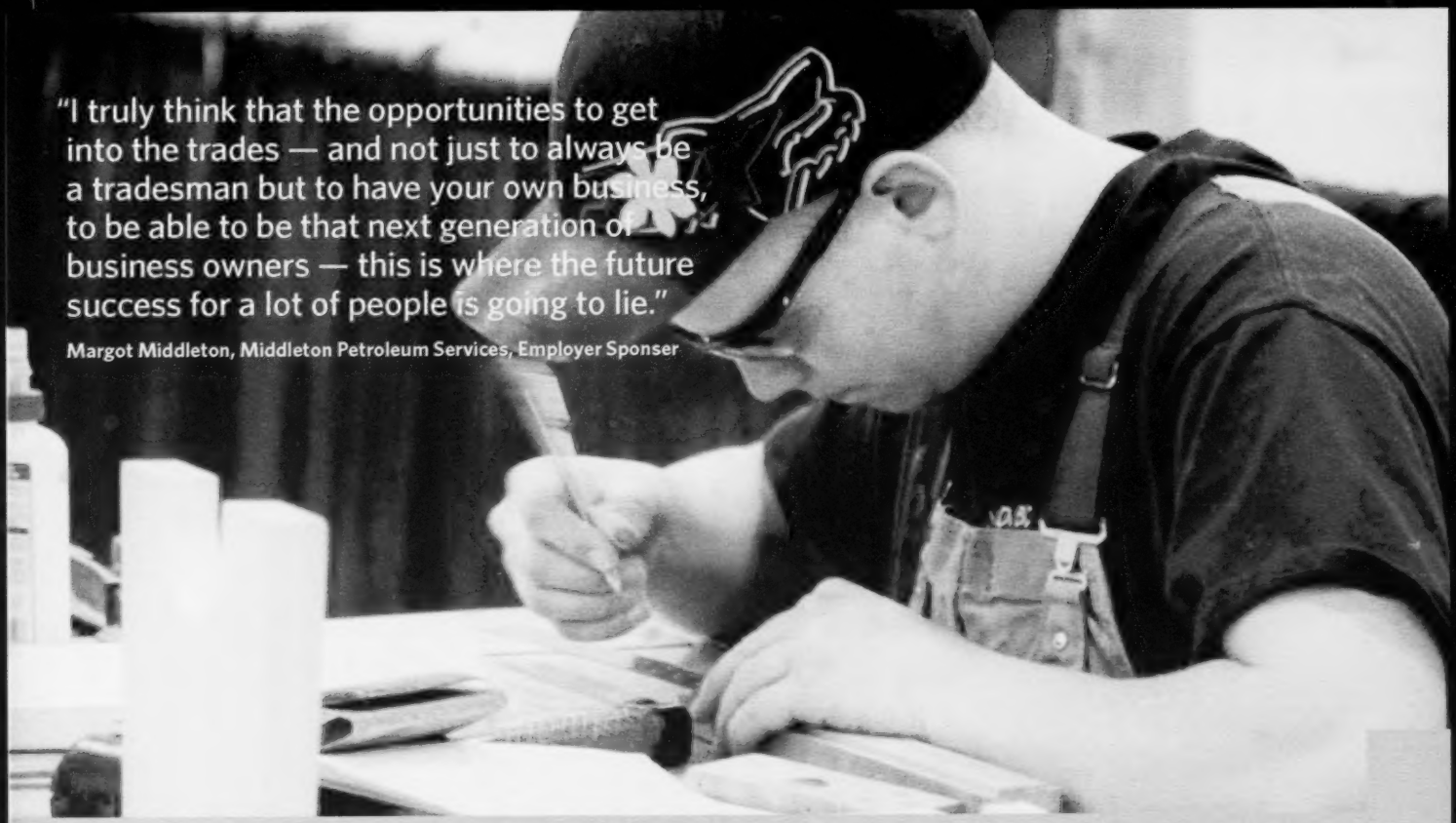
Members	Mandate
L. Stanton (Chair), J. Davidson, P. Sahota	Oversight re financial systems, funding and budget allocations, risk and internal controls, external audit and compliance

Committee: Governance

Members	Mandate
K. Krampl (Chair), A. Bruce, T. Kirk	Governance policy, Board effectiveness, director development and appointment criteria

Committee: Human Resources

Members	Mandate
T. Kirk (Chair), A. Bruce, D. Fehr, K. Krampl, A. Cullen	Human resources and compensation policy


"I truly think that the opportunities to get into the trades — and not just to always be a tradesman but to have your own business, to be able to be that next generation of business owners — this is where the future success for a lot of people is going to lie."
Margot Middleton, Middleton Petroleum Services, Employer Sponser

ITOS BUILDING TRAINING, SECTOR-BY-SECTOR

ITA WORKS IN CLOSE PARTNERSHIP WITH SIX INDEPENDENT AND SECTOR-SPECIFIC INDUSTRY TRAINING ORGANIZATIONS. THEY PLAY A KEY ROLE IN IDENTIFYING TRAINING NEEDS, AND IN DELIVERING THE SERVICES AND STRATEGIES REQUIRED TO MEET THEM. WITH BASIC TOOLS SUCH AS UP-TO-DATE PROGRAM STANDARDS NOW IN PLACE, ITOS ARE INCREASINGLY FOCUSING ON PROACTIVE ACTIVITIES ON BEHALF OF THEIR INDUSTRIES. A FEW EXAMPLES FROM 2012/13 ARE DESCRIBED BELOW.

Automotive Training Standards Organization — Engaging Youth

ATSO held a two-day workshop for instructors who teach automotive programs to students earning dual secondary-school and apprenticeship credit through ITA's ACE-IT program. Experts provided insights on industry trends and evolving needs, which set the stage for discussion of how to better engage youth and prepare them for opportunities in this industry. Best practices that have led to strong academic results in specific ACE-IT programs were also highlighted. This interactive event was held in part at an industry training facility and is expected to become an annual forum for industry-educator dialogue.

go2: The Resource for People in Tourism — Recruiting Sponsors

While overall numbers of registered sponsors dropped further in 2012/13, go2 achieved 10 per cent growth in the number of registered sponsors of apprentices in the professional cook trade — one of the province's top three trades by number of participants. go2 actively promotes sponsorship in its trades, and assists sponsors with tasks such as getting set up on ITA's information management system, and with advice on issues such as apprentice supervision and sign-off on training completion. This is part of the supplemental trade-specific services go2 provides to sponsors, apprentices and challengers in the tourism industry, which in 2012/13 involved some 2,000 email and 800 telephone interactions.

Resource Training Organization — Meeting Broader Training Needs

RTO worked with ITA to develop a pilot provincial certification program through which the skills of more than 50 experienced shipyard labourers were assessed, using a combination of written assessment, technical conversation and practical evaluation. The occupational standards developed through the pilot provide a defined basis for verifying whether an applicant has the required skills to do this job, and should streamline recruitment and retention. They also provide a basis for the development of specialized training programs to address skill gaps. This initiative meets a certification need in an important economic sector — and relating to an occupation outside the traditional trades — and further advances the use of competency-based assessment.

IN 2012/13 ITA PURSUED TWO PRIMARY GOALS THAT ARE CLOSELY ALIGNED WITH THE ORGANIZATION'S MANDATE AND WITH THE CUSTOMER AND BROADER PUBLIC INTERESTS IT IS MEANT TO SERVE. THESE GOALS WERE ESTABLISHED THROUGH AN ITA BOARD-LED STRATEGIC PLANNING EXERCISE IN 2011/12, TO GUIDE ITA ACTIVITIES OVER A THREE-YEAR PERIOD.

The ITA Board selected several performance measures which meaningfully indicate achievement of these goals. Rationales for each measure, and the basis for associated targets, are discussed on pages 10 to 13. The key strategies by which each goal is pursued are determined annually. ITA made some adjustment in its strategies during 2012/13 to more fully align with priorities and objectives in the provincial government's *Skills and Training Plan*, released in September 2012.

ITA achieved targeted performance on seven of eight performance measures during 2012/13. It fell three per cent short of target on total registered sponsors. A variety of operating-environment conditions and issues influenced these and other aspects of performance in 2012/13.

Goal	Critical Importance
ITA credentials are valued by a broad range of industries and individuals, and align with the economic needs of BC	Credentials are the core outcome of ITA's work. More than a simple marker of the acquisition of defined knowledge and skills, they are intended to improve the employment and career prospects of the people holding them, and to ensure current and emerging labour-market/employer needs are met. The extent to which they are valued and aligned reflects the extent to which these criteria are being met — with benefits relating to individual opportunity and quality-of-life, and the economic performance of the province as a whole.
Employment-based apprenticeship is viable, efficient and effective in producing credentialed workers	Apprenticeship training is the most common means by which people earn ITA credentials, and ITA is directly responsible for its management and improvement. The efficiency and effectiveness of this training pathway influences the degree to which both apprentices and sponsors are likely to register to participate and the speed and frequency with which participation results in a credential. It also influences the level of public investment in apprenticeship delivery.

Issue: Continued weak recovery from the global recession and volatility in key export markets impacted economic performance and outlooks within BC.

Impact	Actions
This is likely the primary factor behind a multi-year declining trend in total registered sponsors, which was once again below target in 2012/13	• Continued to actively promote sponsorship by all available communication channels • Instituted employer recognition events and certificates • Took baseline sponsor value and employer satisfaction measures • Expanded and improved informational resources and services available to sponsors • Prepared for deployment of field staff

Issue: Despite a softening in current training participation, strengthening of BC's economy has the potential to drive increased mid-and long-term labour demand in the skilled trades

Impact	Actions
In combination with currently reduced sponsorship opportunities, and in light of the multi-year nature of apprenticeship training, this creates a skills shortage risk	• Took range of actions to increase availability of sponsorship (see immediately above) • Moderated current targets for utilization of technical training seats, so as to maintain capacity to meet anticipated future demand • Maintained relatively high investment in foundation programs (which do not require sponsorship) to create a cohort able to advance to certification once they are connected to an employer • Maintained programs to foster increased trades participation by target groups (women, immigrants and Aboriginal people) • Undertook review of youth strategy, drawing on perspectives of key influencers such as parents and teachers • Advanced assessment improvement initiatives, which will support speed and effectiveness of credential acquisition

Issue: The scope and quality of career opportunities associated with trades training continued to be under-appreciated by many, and some demographic groups remained under-represented in the trades

Impact	Actions
These awareness and perception issues impair recruitment and compound the challenge of ensuring sufficient supply to meet mid- and long-term labour demand	• Expanded communications/promotional efforts through launch of a new brand, improved web site and social media presence • Maintained programs to foster increased trades participation by target groups (women, immigrants and Aboriginal people) • Undertook review of youth strategy, drawing on perspectives of key influencers such as parents and teachers • Actively participated in and leveraged external opportunities such as career fairs • Sought input via community dialogues • Employer engagement with recognition events, certificates, video profiles and promotion of apprenticeship as part of BC Jobs Plan – Skills and Training Plan

Issue: The importance of effective and efficient skills assessment — including skills attained informally and/or outside BC — continues to increase

Impact	Actions
Accurate assessment of skill levels that partially meet occupation-specific requirements avoids unnecessary re-training, and is particularly important in the context of integrating foreign-trained workers; competency-based assessment also offers advantages over purely exam-based assessment	• Began phased implementation of standard level exams, providing both quality-assurance benefits and a means of scheduling people into advanced levels of apprenticeship based on existing skills • Continued to contribute to and leverage efforts to improve occupational standards, and enable use of additional forms of assessment in Red Seal trades • Applied competency-based assessment in context of piloted certification for non-apprenticeship training programs (municipal worker and shipyard labourer)

Issue: Stakeholder input underscored the importance of providing appropriate types and levels of support to apprentices and sponsors

Impact	Actions
The degree of support available likely influences both training participant and sponsor numbers, as well as the speed and efficiency with which participants are likely to proceed towards certification	• Made ongoing customer and online service improvements, including enhanced training and coaching resources for customer service staff, additional quality benchmarking for calls handled, and multiple service-enhancing upgrades to Direct Access • Took baseline sponsor value, and credential-holder and employer satisfaction measures • Updated ITA's web site with enhanced structure, tools and content • Completed consultations that will inform detailed planning for deployment of new field staff

ITA's staffing, budget and other aspects of internal and system-wide capacity did not create significant constraints on performance in 2012/13, particularly since demand for technical training remained soft.

"A lot of what we do we learn — we don't just get taught it, we learn by doing and we learn it over the years. And we have to impart that information and knowledge onto the young people. So I've taken it as a personal obligation to young people to allow them to undergo apprenticeship." Thom Meier, 101 Industries

ITA PERFORMANCE RESULTS

GOAL 1 >

ITA CREDENTIALS ARE VALUED BY A BROAD RANGE OF INDUSTRIES AND INDIVIDUALS, AND ALIGN WITH THE ECONOMIC NEEDS OF BC.

Strategies

- Expand credentialing framework to meet industry and occupational needs that do not lend themselves to the apprenticeship training model
- Use marketing to raise brand awareness of the value of ITA credentials
- Strengthen the rigour of assessment used for credentialing
- Collaborate with Canadian Council of Directors of Apprenticeship on evolving a more robust occupational standard format for National Occupational Analyses

Measure: Number of Credentials Issued

Credentials issued upon successful completion of an apprenticeship, or based on assessment of existing skills (the "challenge" process).

2010 - 2011		7,318
2011 - 2012		8,750
2012 - 2013	Actual	8,042
2012 - 2013	Target	7,500
2013 - 2014		8,000
2014 - 2015		8,250
2015 - 2016		8,500

■ Past Performance ■ 2012-13 Performance ■ Targets

Importance: Credentials issued represent an increase in the supply of people with job-ready and verified skills available to BC employers, and reduce the potential for skills shortages. The number of credentials issued depends on the efficient functioning of the training system as a whole: from recruitment into apprenticeship, to availability of work-based and technical training, to progression towards program completion, to effective assessment tools. This is therefore the most encompassing and fundamental of ITA performance measures, although it is also strongly influenced by external factors. Targets are set to align with projected mid-term labour demand while also considering recent participation trends.

Outcomes: ITA exceeded the target for credentials issued in 2012/13. The number was down from a significantly above-target level in 2011/12, the first such decline since ITA's inception. ITA made various efforts in recent years to maintain a high output of credentialed workers, despite reduced training participation and availability due to the economic downturn, and the impact of these efforts is believed to have peaked in 2011/12[1]. Targets for 2013/14 and 2014/15 were, however, increased in light of the high baseline established in 2011/12.

[1] Key among these efforts was an increased investment in upper levels of training, to encourage apprenticeship completion by those who had already met most requirements.

YOUR TICKET...

"Being an electrician is my ticket to freedom because once I have my ticket it is mine and you can do what you want with it and I can go wherever I want with it."

Allanah Hjerpe,
Electrician Apprentice

Measure: Investment per Credential Issued

Total annual ITA operating expenses divided by credentials issued during the fiscal year.

2010 - 2011		$15,017
2011 - 2012		$11,804
2012 - 2013	Actual	$13,190
2012 - 2013	Target	$14,222
2013 - 2014		$13,762
2014 - 2015		$11,570
2015 - 2016		$11,320

2012-2013

$13,190
$14,222

■ Past Performance ■ 2012-13 Performance ■ Targets

Importance: The ratio of operating expenses to the number of credentials issued (ITA's most fundamental performance measure) indicates how efficiently ITA is allocating resources and managing expenses, and speaks to its success in maximizing the impact of the public investment in industry training. Targets are a function of targeted credentials and forecast expenditures in the years ahead. Higher costs per credential in some periods can reflect investments with longer-term benefits and/or a decrease in the number of credentials.

Outcomes: ITA out-performed on this measure, with the investment required for each credential issued in 2012/13 coming in at a lower amount than targeted. This was a result of issuing more credentials than targeted during a year when soft training demand resulted in a lower training spend. Reductions in Labour Supply Initiatives and Training Delivery in 14/15 and 15/16 reflect an end to the current Canada BC Labour Market Agreement, which expires in March 2014. The Province is actively pursuing discussions with the Federal Government regarding LMA funding beyond March 2014.

Measure: Satisfaction with ITA Credentials

Survey-based measurements on a 100-point index (see details page 17).

Credential Holders

2010 - 2011		n/a
2011 - 2012		n/a
2012 - 2013	Actual	86
2012 - 2013	Target	Establish methodology & baseline
2013 - 2014		86
2014 - 2015		86
2015 - 2016		86

2012-2013

86
n/a

Employers

2010 - 2011		n/a
2011 - 2012		n/a
2012 - 2013	Actual	78
2012 - 2013	Target	Establish methodology & baseline
2013 - 2014		79
2014 - 2015		80
2015 - 2016		80

2012-2013

78
n/a

■ Past Performance ■ 2012-13 Performance ■ Targets

Importance: While it is important to issue a sufficient volume of credentials, it is equally important that they deliver the intended value to the people holding them and to the employers relying on them. As customers, their satisfaction is inherently important, and also indicates the extent to which ITA is contributing to career advancement opportunity and economic development, and otherwise carrying out its public interest mandate.

Outcomes: As targeted, ITA commissioned customer surveys in 2012/13, involving one sample of approximately 575 tradespeople that had been certified within a recent four-year period, and one of approximately 700 current employers of certified tradespeople. The results are a composite measure reflecting weighted reactions to several statements. The go-forward target is to maintain the high satisfaction found among credential holders, while increasing employer satisfaction over the next two years.

"The apprentices bring in new ideas. They're on the latest technology. They're able to take us in to new markets. We've branched out into fibre optics, data, wireless because of the skill set of the young people we've brought in."
Dan Mott, Mott Electric, Employer Sponser

GOAL 2 >

EMPLOYMENT-BASED APPRENTICESHIP IS VIABLE, EFFICIENT AND EFFECTIVE IN PRODUCING CREDENTIALED WORKERS

Strategies

Strengthen alignment between employers and pre-apprenticeship and apprenticeship training programs

In collaboration with ITOs, continue fostering strong employer engagement, particularly with regard to sponsorship

Introduce continuous technical training improvement mechanisms such as standard level exams

Attract and maintain targeted support for groups facing barriers to participation in apprenticeship, and continue to promote industry training among youth

Measure: Total Registered Sponsors

Number of employers (as well as associations, unions and joint training boards in some cases) registered as the sponsor of one or more active apprentices at year end

2010 - 2011	9,856
2011 - 2012	9,412
2012 - 2013 Actual	9,188
2012 - 2013 Target	9,500
2013 - 2014	9,300
2014 - 2015	9,500
2015 - 2016	9,700

2012-2013

9,188
9,500

■ Past Performance ■ 2012-13 Performance ■ Targets

Importance: Registered sponsors provide the work-based training which makes up the bulk of apprenticeship. Work-based training availability determines how many people can pursue apprenticeship at a given time and how quickly they can complete it. While essential to apprenticeship, sponsorship is also voluntary and highly susceptible to variation as a result of economic conditions. Targets are set with reference to identified levels of training availability and participation levels that align with projected mid-term labour demand. Targets also take industry hiring capacity into account.

Outcomes: ITA did not meet the target of reversing the declining trend in registered sponsor numbers, despite further expanded efforts to recruit, recognize and support this key constituency. Continued hiring caution under what remain uncertain economic conditions is believed to be the primary factor. ITA ended 2012/13 three per cent below target and 16 per cent below the peak number of sponsors achieved in 2008/09. The rate of year-over-year decrease has, however, moderated in each of the last two years. Resumed growth continues to be targeted in the next three years, although at a level reduced to reflect recent performance.

Measure: Sponsor Value Index

Survey-based measurements on a 100-point index (see details page 17).

2010 - 2011	n/a
2011 - 2012	n/a
2012 - 2013 Actual	76
2012 - 2013 Target	Establish methodology & baseline
2013 - 2014	77
2014 - 2015	78
2015 - 2016	79

2012-2013

76

n/a

■ Past Performance ■ 2012-13 Performance ■ Targets

Importance: Sponsors will continue to take on apprentices, and will encourage other employers to do the same, only if the experience delivers business value for them and does not result in too high an administrative burden. This value measure reflects the return-on-investment employers receive from apprenticeship involvement, and is a potential source of insight to guide improved program delivery and training outcomes.

Outcomes: As targeted, ITA commissioned a sponsor survey in 2012/13 — involving a sample of approximately 400 currently registered sponsors. The results are a composite measure reflecting weighted reactions to several statements. The target is to continuously increase results on this measure over the next three years.

Measure: Continuation from Foundation Programs to Apprenticeship

Per cent of successful completers of a foundation program who register as an apprentice within 12 months; in 2013/14 this measure will be expanded to include participants in other ITA pre-apprenticeship programs designed to increase participation by target groups. performance and targets below pertain to foundation program participants only.

2010 - 2011	42%
2011 - 2012	45%
2012 - 2013 Actual	51%
2012 - 2013 Target	42%
2013 - 2014	50%
2014 - 2015	52%
2015 - 2016	54%

2012-2013

51%

42%

■ Past Performance ■ 2012-13 Performance ■ Targets

Importance: Institution-based programs providing foundational skills and credit towards apprenticeship completion are a feasible entry point to industry training for many, particularly when sponsorship opportunities are limited. While some foundation program participants may use the training as a basis for direct workforce entry or the pursuit of other career paths, the ITA's primary purpose for these programs is to stream participants into apprenticeships and towards credentials. The continuation rate is a direct measure of the achievement of this purpose, and targets reflect achievable and meaningful levels of continuous improvement.

Outcomes: When the continuation target for 2012/13 was set, 2011/12 performance was forecast to be much lower than was achieved. 2012/13 performance exceeded what was therefore a comparatively low target, and also exceeded actual performance in the preceding year. Targets for 2013/14 and 2014/15 were increased in light of improvement on this measure, and will be re-assessed in light of 2012/13 performance. ITA anticipates undertaking further foundation program re-design — to strengthen job readiness — however, this work was deferred to allocate resources to initiatives outlined in the provincial government's *Canada Starts Here: BC Jobs Plan — Skills and Training Plan*.

Measure: Capacity Utilization

Per cent of ITA-funded technical training seats filled by registered participants; a weighted average of both apprenticeship and foundation program training seats.

2010 - 2011	89.3%
2011 - 2012	87.8%
2012 - 2013 Actual	89.6%
2012 - 2013 Target	88.5%
2013 - 2014	87.5%
2014 - 2015	88.0%
2015 - 2016	88.5%

2012-2013

89.6%

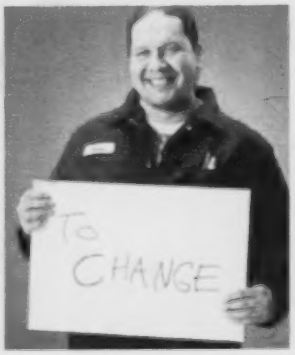
88.5%

■ Past Performance ■ 2012-13 Performance ■ Targets

Importance: Capacity utilization is in part an efficiency measure, with a higher percentage indicating fewer unused training seats and greater return on each dollar spent. At the same time, utilization targets are set to accommodate the need, during periods such as 2012/13, to maintain sufficient training capacity to meet the resumed growth in training demand that is forecast. Current targets therefore allow for significantly more unused training seats than was typical prior to the impact of the recession (the 2008/09 utilization rate, for example, was 92.7%).

Outcomes: The utilization rate was above target in 2012/13. This reflects a reasonable balance between the utilization-efficiency and capacity-maintenance objectives.

YOUR TICKET...



"To be able to break negative stereotypes of Aboriginal people in this day and age — for me it's getting up every morning and getting to work, it shatters those stereotypes and for me it's a great thing."

Rivers Stonechild,
Metal Fabrication Apprentice

SECONDARY SCHOOL > TRADES TRAINING

Encouraging youth to proceed from secondary school to trades training is a long-standing ITA focal point and a provincial-government priority defined in the *Canada Starts Here: BC Jobs Plan — Skills and Training Plan*. In 2012/13 ITA reviewed its successful dual-credit youth programs, with a view to increasing the number of youth that continue along the apprenticeship pathway after secondary school graduation.

This process included a best practices review and consultations with over 1,000 stakeholders, including a survey, focus groups around the province, and targeted interviews. Several themes emerged, and are reflected in a renewed youth strategy endorsed by the ITA Board in 2012/13. It recognizes the importance of:

- Awakening interest in the trades at an earlier age, as young as elementary school
- Providing hands-on experience for secondary school students in multiple trades
- Beginning technical training while earning secondary school credits
- Supporting work-based training opportunities and the transition to the labour force after secondary school graduation

Innovative recommendations to further advance these objectives have also been identified, and their implementation potential was being assessed at year-end.

The renewed strategy will build on ITA's three existing youth trades programs:

- **Accelerated Credit Enrolment in Industry Training (ACE IT)** is a dual credit program that allows youth to take the first level of technical training toward an apprenticeship and earn secondary school credits at the same time.
- **Secondary School Apprenticeship (SSA)** is a dual credit program that allows students to begin work-based training towards an apprenticeship program while in secondary school. Students "earn while they learn", receiving credit toward both a secondary school diploma and an apprenticeship.
- **Youth Exploring Skills to Industry Training (YES 2 IT)** is designed to increase awareness of the trades by providing funding for projects that target younger students (typically in grades 6–9) as well as their parents, educators and communities.

YOUR TICKET...

"After high school I decided to get into the trades because I was looking for a job that would give me good pay as well as good experience. I was only a journeyman for a year before I got promoted to be foreman."

Alex Hansen,
Electrician and Foreman

DATA SOURCES AND BENCHMARKING

Data Sources

Performance Measures	Data Source	Commentary
• Credentials Issued • ITA Investment Per Credential • Total Registered Sponsors • Continuation from Pre-Apprenticeship	ITA Direct Access	This information management system was designed to meet ITA's specific operational and performance management requirements, and is subject to clear data-entry procedures and business rules. Management is therefore fully confident in the resulting data. Data from Direct Access is combined with expense data from audited financial statements to calculate ITA investment per credential.
• Capacity Utilization	ITA Databases, Training-Provider Data	ITA maintains databases specifically to track and manage its purchase of training seats. Data from this source is combined with usage data from training providers to arrive at this measure. Given established procedures and the lack of complexity in tracking such data, management is confident in its reliability.
• Satisfaction with ITA Credentials • Sponsor Value Index	Professional Opinion Research Providers	Results on these measures were obtained through combined telephone and online surveys conducted by Sentis Market Research Inc. and applying industry best practices and quality assurance methodologies. ITA management is confident in its reliability, subject to the margins of error defined by the research provider.

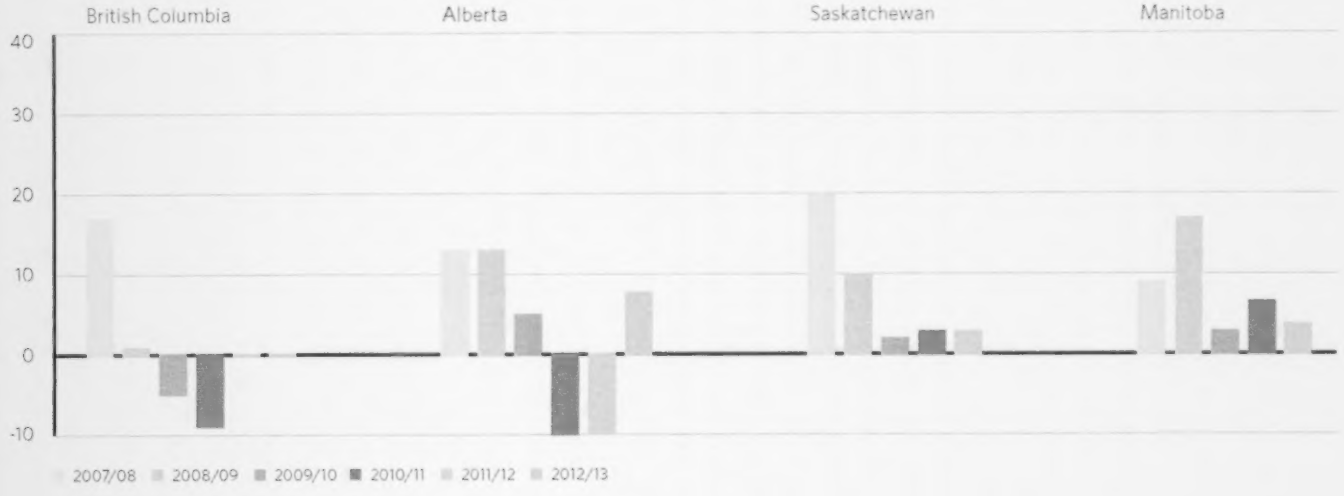
Benchmarking

Multi-jurisdiction benchmark comparisons for credentials issued and for registered training participants appear below. The first is the most fundamental of ITA performance measures, while the second (although not a Service Plan measure) is tracked as an indicator of recruitment success and of the number of credentials likely to be issued in future years.

Comparisons of BC and national pass rates on certification exams for major Red Seal trades appear on page 38–39. While also not a Service Plan measure, this is an important indicator of the relative degree of success in preparing candidates to meet the final credentialing requirement for this inter-jurisdictional endorsement. BC had 49 designated Red Seal trades in 2012, and at least 80 per cent of completing apprentices passed the exams in 24 of them.

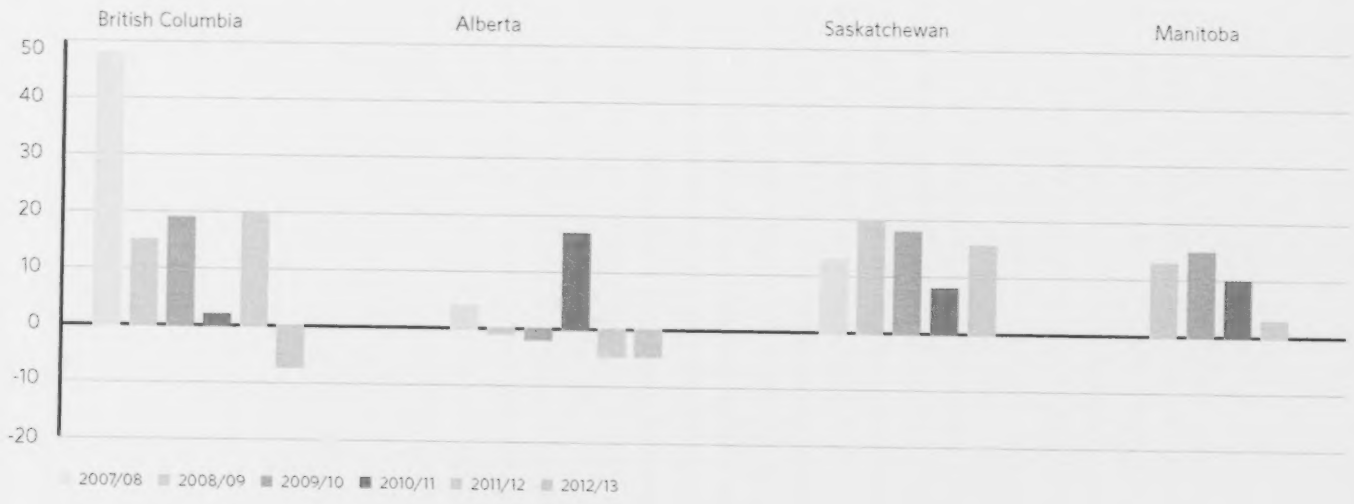
Total Participation

(% change from previous period)



Credentials

(% change from previous period)

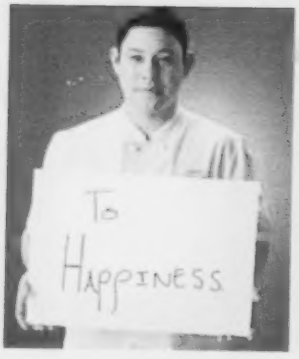


Alberta reports on a calendar-year basis. 2007/08 equates to 2007, and so on.

Sources and Measures Cited

Alberta Apprenticeship and Industry Training Board Annual Report	• Total Apprentices Registered (all trades) • Total Number of Completed Apprentices, and Individuals Issued Occupation and Qualification Certificates
Saskatchewan Apprenticeship and Trade Certification Commission Annual Report	• Total Registered Apprentices at Year End • Number of Completions During Year
Manitoba Entrepreneurship, Training and Trade Annual Report	• Active Apprentices Registered at Year End • People Receiving Certificates of Qualification at Completion of Apprenticeship or Through Trades Qualification Process

YOUR TICKET...



"What I love about my job is it's very passionate, it's hands-on and you want to make guests feel really happy."

Quang Dang, Executive Chef

SATISFIED CUSTOMERS AND HIGH-VALUE SPONSORSHIP

ONE ITA PERFORMANCE TARGET FOR 2012/13 WAS TO TAKE BASELINE MEASURES OF SATISFACTION ON THE PART OF BOTH CREDENTIAL HOLDERS AND EMPLOYERS OF TRADESPEOPLE (SEE PAGE 11). HIGH AGREEMENT WITH THE STATEMENTS BELOW IS HOW SATISFACTION IS DEFINED.

Credential Holders

An ITA credential:

- signals to employers that I can meet their skill needs
- gives me a competitive advantage for employment or promotion
- improves my earning potential
- allows me to work in other parts of Canada or abroad

Employers of Tradespeople

An ITA credential:

- signals that the holder is able to meet the skill needs of my company
- signals that the holder will increase my company's profitability
- is valued and requested by my customers

Similarly, ITA targeted a baseline measure of the benefits employers gain from sponsoring apprentices (see page 13).

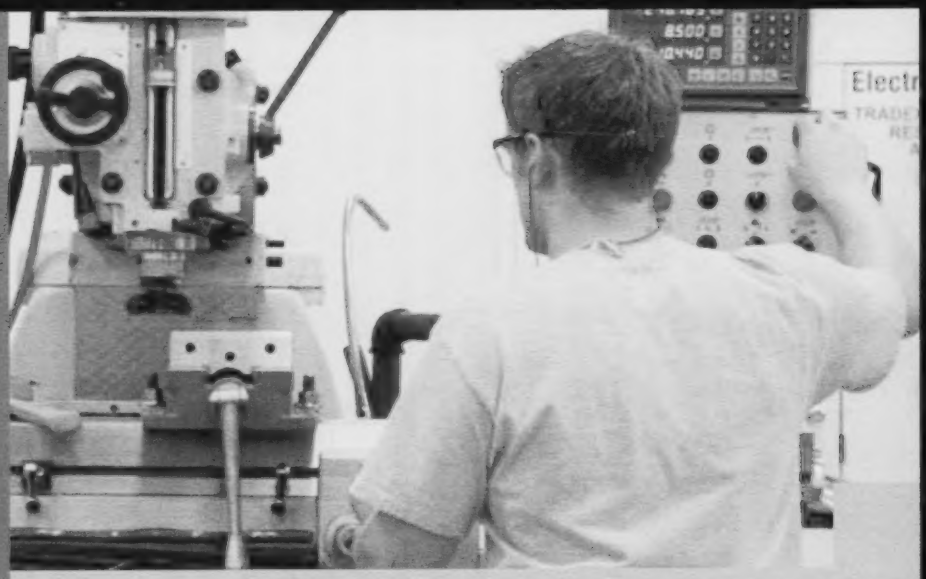
Here, agreement is measured with these statements:

The training my apprentices receive aligns with the skill needs of my company.

Apprentices increase my company's profitability.

Apprentice training provides my company with a recruiting and retention advantage.

The administrative requirements of sponsoring apprentices are manageable.



NATIONAL COLLABORATION ON ASSESSMENT

ITA CARRIED FORWARD IN 2012/13 WITH LONG-STANDING EFFORTS TO MAKE BROADER USE OF VARIOUS FORMS OF PRACTICAL ASSESSMENTS, RATHER THAN WRITTEN EXAMS ALONE. COMPETENCY-BASED ASSESSMENT IS WIDELY SEEN AS A MORE EFFECTIVE WAY OF DETERMINING SKILL LEVELS IN THE CONTEXT OF THE HANDS-ON WORK THAT IS TYPICAL OF TRADE OCCUPATIONS.

BC has already piloted practical assessment in specific programs, and much of the effort in 2012/13 focused on leveraging national interest in developing more robust occupational standards in the Red Seal trades.

The Canadian Council of Directors of Apprenticeship approved a new format for Red Seal occupational standards in 2012/13, with enhancements that will provide the necessary basis for competency-based assessment, as well as greater harmonization of technical training content. This next generation of standards also has the potential to eliminate the need for separate program outlines and assessment guides, and to reduce duplication of effort across jurisdictions. Piloting of them will begin in 2013/14.

In a further pilot initiative of its own, ITA incorporated competency-based assessment into the design of certification for two non-apprenticeship training programs in 2012/13 — one for municipal workers and one for shipyard labourers. The first certifications in both of these occupations will be issued in 2013/14 and additional pilots — to further test the demand for ITA certification outside the apprenticeship context — are likely to be conducted in 2013/14.

"A lot of employers focus on the cost of apprenticeship, they say 'look at what it's going to cost me to get him up to speed'. You have to stop thinking that way. You have to start thinking 'I'm investing in my company and I'm going to get great dividends in the future'. And that future is not far off." Robert Lashin, Houle Electric, Employer Sponsor

EMPOWERING GROWTH AND DIVERSITY

ITA CONTINUED TO DELIVER PROGRAMS FOR THREE TARGET GROUPS USING FUNDS MADE AVAILABLE THROUGH THE CANADA-BRITISH COLUMBIA LABOUR MARKET AGREEMENT. SINCE 2008/09, THESE PROGRAMS HAVE ASSISTED MORE THAN 5,300 UNEMPLOYED OR LOW-SKILLED PEOPLE TO EXPLORE AND PURSUE TRADES CAREERS.

	Women in Trades Training	Immigrants in Trades Training	Aboriginal Initiatives
The Opportunity	Only 10% of apprentices are women, and while that's up from 8% in 2009 the female labour force is still under-utilized.	New immigrants make up 20% of the Canadian population but only 3–5% of apprentices; many already have valuable trades skills but may face language barriers and other challenges in getting certified.	The Aboriginal population is younger and faster growing than the general population, and many communities are located close to major projects with major trade-skills needs.
The Response	ITA partners with post-secondary institutions, industry and labour organizations, and employment agencies and community groups. The programs offered are designed to enable the target groups to explore trades careers, and to develop and certify trades skills. Assistance with essential skills like numeracy and literacy, help covering costs such as child care and transportation, and mentorship and peer support are also available.		
2012/13 Approved Funding and Target Participant Numbers	$3.4 million 507 people	$1.8 million 408 people	$3.8 million 468 people

It was a milestone year for ITA's Aboriginal Initiatives, with release of a new research report on barriers to Aboriginal trades training and participation, and on successful approaches to overcoming them. This was accompanied by a review of the implementation of ITA's 2009 Aboriginal strategy, and an overview of future directions.

Outreach to immigrant communities was expanded through a series of online and print advertising in targeting media outlets in late 2012/13, appearing in English, Punjabi and Chinese and with an audience reach of more than 1.8 million.

GOVERNMENT/SHAREHOLDER EXPECTATIONS

The following table links ITA strategies and related actions during 2012/13 to directions provided by government in the Shareholder's Letter of Expectations for that year. That document is executed by the Minister of Jobs, Tourism and Skills Training and by the Chair of ITA's Board. ITA responses are further discussed throughout this report.

Government Direction	ITA Response
Implement a strategy, approved by government in the fourth quarter of 2011/12, to maximize ITA's contribution to the industry training system, and the system's effectiveness in meeting industry needs and objectives of the Canada Starts Here: BC Jobs Plan	This strategy was defined in ITA's 2012/13 Service Plan, released in February 2012. Key elements included strengthening existing apprenticeship programs where required, developing program standards beyond traditional apprenticeship, enhanced assessment tools and processes, and a heightened focus on youth programs. Work proceeded in all of these areas in 2012/13, and is reflected in the performance results discussed in preceding sections. Adjustments were made to align with the provincial government's *Skills and Training Plan*, released in September 2012. This included expanded support for apprentices and sponsors (most notably through the pending addition of field staff), and preparation for expanded availability of competency-based assessment on a defined scope in 2013/14.
Collaborate with the Ministry on a review of client/beneficiary satisfaction with ITA activities	Various steps were taken to improve service delivery to and satisfaction on the part of employers and apprentices, including satisfaction and sponsor value research.
Participate in a government-led review to assess the adequacy of training equipment for ITA-funded programs	ITA participated in this review, which resulted in an investment of an additional $17 million by the Ministry of Advanced Education, Innovation and Technology in training equipment for use in ITA-funded technical training programs at public post-secondary institutions.
Expand employer participation in industry training and provide a progress report by October 2012	• Implemented employer recognition events and certificates • Updated ITA web site with enhanced structure, tools and information • Made ongoing customer and online service improvements • Consulted with industry to maximize value of new field staff • Initiated ongoing employer satisfaction and sponsor value research • Sought input on further improvement opportunities through community dialogues
Address customer service gaps, in collaboration with ITOs and training providers	• Updated ITA web site with enhanced structure, tools and content • Made ongoing customer and online service improvements, including enhanced training and coaching resources for customer service staff, quality benchmarking for calls handled, and multiple service-enhancing upgrades to Direct Access • Consulted with all customers to maximize value of new field staff • Sought input on further improvement opportunities through community dialogues
Support carbon neutrality	• Maintained use of 100% recycled paper and lower-carbon IT technology, while reducing travel requirements through use of audio and video conferencing

MANAGEMENT'S DISCUSSION AND ANALYSIS

ITA POSTED A SURPLUS AGAIN IN 2012/13, ALTHOUGH AS A RESULT OF CLOSER ALIGNMENT BETWEEN PROJECTED AND ACTUAL TRAINING DEMAND IT CONTINUED TO TREND DOWN AS A PER CENT OF TOTAL BUDGET. DEMAND SOFTENED FURTHER DURING THE YEAR, CONSISTENT WITH WHAT IN THE PAST HAS BEEN A DECADE-LONG IMPACT ON APPRENTICESHIP PARTICIPATION FOLLOWING A RECESSION.

ITA maintained a level of training investment consistent with anticipated mid-term labour market needs, including a relatively high investment in foundation programs, which provide a pre-employment based entry point to apprenticeship.

ITA's investment strategy is also aimed at maintaining technical training capacity, in anticipation of projected mid- and longer-term labour market needs. Current levels of training demand are resulting in a large number of unused training seats relative to earlier years, which translates into a larger than desired annual operating surplus.

Revenues and Expenditures

ITA revenues consist mainly of core funding from the provincial government, which held steady at $94.44 million. Additional funding continued to be received (included in "provincial grants and others") through the Canada-British Columbia Labour Market Agreement (LMA).

ITA fully utilized the $12.4 million available under the LMA in 2012/13, primarily for labour-supply initiatives targeting women, immigrants and Aboriginal people.

Training delivery represents by far the largest category of expenses and declined moderately in light of soft apprenticeship training demand. Labour supply initiatives are the next largest expense and, as noted, are largely funded using LMA revenues.

Several other categories of expenses — including standards development and industry engagement — include payments to ITOs for contracted services. Improved returns on investments in ITO activities were achieved in 2012/13, thus moderating expenses in these categories. ITA has invested over $30 million in program standards development, industry engagement and other services through ITOs since 2005/06 — focus on the outputs versus supporting the organizations.

Assessment and certification expenses included ongoing work relating to standard level exams and competency-based assessment, while standards development expenses included modest investment in credentials for non-apprenticeship training programs. Expenses specific to credential awareness supported brand-focused efforts to foster greater understanding of the value of ITA credentials.

Expenditures in 2012/13 included a one-time transfer, under *BC's Skills and Training Plan*, of $1.7 million to the Kamloops School District to expand the Norkam trades training facility, and a restricted transfer of $1.2 million from the Ministry of Jobs, Tourism and Skills Training, to the Career Education Society to be used for youth-related activities in 2013/14.

As a crown agency, ITA is precluded from incurring debt, and annual operating surpluses are transferred to accumulated surplus, which is restricted to expenditures for capital assets. Accumulated surplus will continue to be used primarily to enhance the customer-service functionality of the Direct Access information management system.

Future Financial Outlook

With the completion of efforts to address a backlog of program standards related work, investment in services delivered by ITOs will increasingly shift to industry engagement — a high priority in light of the continued decline in numbers of registered sponsors.

Reductions in labour supply initiatives and training delivery in 2014/15 and 2015/16 reflect the expiry of the current LMA in March 2014. The Province is actively pursuing discussions with the federal government regarding LMA funding beyond March 2014.

ITA will continue to work with the government to optimize the public investment in skills training, in alignment with government policy and the projected mid-term requirements of the labour market.

Further discussion of risks and opportunities impacting operational and financial performance in 2012/13 is found in the "Report on Performance" section on pages 8-9.

Summary of Financial Results

for the Years Ending March 31, 2008 to 2013 and Financial Forecast 2014 to 2016

Statement of Operations (in $ thousands)	2008* Actual	2009* Actual	2010* Actual	2011 Actual	2012 Actual	2013 Actual	2013 Budget	Variance Budget	Variance Prior Year	2014 Forecast	2015 Forecast	2016 Forecast
Revenues												
Provincial general funding	96,938	100,538	94,444	94,444	94,444	94,444	94,444	-	-	94,444	94,444	94,444
Provincial grants and other	236	2,693	17,230	17,152	8,303	13,979	11,685	2,294	5,676	14,466	-	-
Provincial crowns	-	-	-	-	4,250	-	-	-	(4,250)	-	-	-
Federal funding received	30	-	97	634	192	98	-	98	(94)	-	-	-
Operating	-	-	433	452	383	404	-	404	21	-	-	-
Fees	237	314	309	341	383	391	300	91	8	300	300	300
Investment income	981	541	121	243	294	351	180	171	57	305	305	305
Deferred revenue province	482	196	1,140	-	-	-	-	-	-	100	-	-
Other	-	-	-	-	40	62	53	9	22	403	403	403
	98,904	104,282	113,774	113,266	108,289	109,729	106,662	3,067	1,440	110,018	95,452	95,452
Expenses												
Standards development	2,756	3,339	1,574	2,608	2,437	2,887	3,227	(340)	450	2,370	2,320	2,320
Industry engagement (non standards work)	1,935	2,477	3,403	3,621	3,382	2,036	2,199	(163)	(1,346)	2,949	2,949	2,949
Credential awareness	-	-	-	-	-	505	300	205	505	350	100	100
Assessment and certification	271	748	1,448	1,833	1,067	579	1,028	(449)	(488)	678	678	678
Training delivery [1]	79,180	79,456	82,272	79,349	74,781	72,532	77,370	(4,838)	(2,249)	77,720	74,220	74,220
Labour supply initiatives	5,859	8,097	13,511	14,068	12,537	18,767	13,110	5,657	6,230	15,047	5,160	5,160
Administration	7,972	8,608	9,424	8,417	9,082	8,847	9,428	(581)	(235)	10,904	10,025	10,025
	97,973	102,725	111,632	109,896	103,286	106,153	106,662	(509)	2,867	110,018	95,452	95,452
Annual surplus	**931**	**1,557**	**2,142**	**3,370**	**5,003**	**3,576**	**-**	**3,576**	**(1,427)**	**-**	**-**	**-**
Accumulated surplus [2]	**4,501**	**6,058**	**8,200**	**12,383**	**17,386**	**20,962**	**17,386**	**3,576**	**3,576**	**20,962**	**20,962**	**20,962**
Purchase of capital assets	**1,153**	**1,160**	**1,190**	**1,118**	**1,585**	**393**	**603**	**(210)**	**(1,192)**	**2,000**	**2,000**	**2,000**

* 2008-2010 was prepared based on Not for Profit Canadian Generally Accepted Accounting Principles.

2011-2016, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP - PSAB).

Notes

1 Includes apprenticeship and foundation programs and Queen's Printer Curriculum Development.

2 Due to the nature of the ITA operations there is no total debt.

MANAGEMENT'S REPORT

Management's Responsibility for the Financial Statements

THE FINANCIAL STATEMENTS HAVE BEEN PREPARED BY MANAGEMENT IN ACCORDANCE WITH CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS AND THE INTEGRITY AND OBJECTIVITY OF THESE STATEMENTS ARE MANAGEMENT'S RESPONSIBILITY.

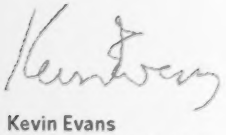
Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements at every meeting and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Industry Training Authority and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Industry Training Authority



Kevin Evans
Chief Executive Officer

Sue Thomas, CA
Chief Financial Officer

May 13, 2013

INDEPENDENT AUDITOR'S REPORT

BDO

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vancouver@bdo.ca
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BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditor's Report

To the Board of Directors of the Industry Training Authority

We have audited the accompanying financial statements of the Industry Training Authority, which comprise the Statement of Financial Position as at March 31, 2013 and the Statement of Operations and Changes in Accumulated Surplus, Changes in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of the Industry Training Authority as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of the Industry Training Authority for the year ended March 31, 2012 were audited by the Auditor General of British Columbia who expressed an unmodified opinion on those financial statements on May 15, 2012.

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia
May 13, 2013

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Industry Training Authority

STATEMENT OF FINANCIAL POSITION

As at March 31, 2013 (in thousands of dollars)

	Note	March 31, 2013	March 31, 2012
Financial assets			
Cash	3	15,502	15,292
Accounts receivable	4	37	26
Due from government/other government organizations	5	7,856	3,859
		23,395	19,177
Liabilities			
Accounts payable and accrued liabilities	6	3,681	4,914
Employee future benefits	7	6	3
Due to government/other government organizations	8	2,657	1,521
Deferred revenue	9	615	555
		6,959	6,993
Net financial assets		16,436	12,184
Non-financial assets			
Tangible capital assets	12	4,155	4,610
Prepaid expenses		371	592
		4,526	5,202
Accumulated surplus		**20,962**	**17,386**
Contingent liabilities	11		
Contractual obligations	13		

The accompanying notes are an integral part of these financial statements.

Frank Pasacreta
Board Chair

Laura Stanton
Audit Committee Chair

Industry Training Authority

STATEMENT OF OPERATIONS AND CHANGES IN ACCUMULATED SURPLUS

For the Year Ended March 31, 2013 (in thousands of dollars)

	Note	Budget (Note 17)	March 31, 2013	March 31, 2012
Revenues				
Provincial general funding		94,444	94,444	94,444
Provincial grants and other		11,685	13,979	8,303
Provincial crowns		-	-	4,250
Federal funding received		-	98	192
Operating		-	404	383
Fees		300	391	383
Investment income		180	351	294
Other		53	62	40
		106,662	109,729	108,289
Expenses	14			
Standards development		3,227	2,887	2,437
Industry engagement (non standards work)		2,199	2,036	3,382
Credential awareness		300	505	-
Assessment and certification		1,028	579	1,067
Training delivery		77,370	72,532	74,781
Labour supply initiatives		13,110	18,767	12,537
Administration		9,428	8,847	9,082
		106,662	106,153	103,286
Annual surplus		**-**	**3,576**	**5,003**
Accumulated surplus at the beginning of year			17,386	12,383
Accumulated surplus at end of year			**20,962**	**17,386**

The accompanying notes are an integral part of these financial statements.

Industry Training Authority

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the Year Ended March 31, 2013 (in thousands of dollars)

	Budget (Note 17)	March 31, 2013	March 31, 2012
Annual operating surplus	-	3,576	5,003
Acquisition of tangible capital assets	(542)	(393)	(1,585)
Amortization of tangible capital assets	722	772	716
Loss on sale of tangible capital assets	-	-	10
Write-downs on tangible capital assets	-	76	-
	180	455	(859)
(Acquisition)/use of prepaid expense	-	221	(2)
Increase in net financial assets	180	4,252	4,142
Net financial assets at beginning of year	12,184	12,184	8,042
Net financial assets at end of year	**12,364**	**16,436**	**12,184**

The accompanying notes are an integral part of these financial statements.

Industry Training Authority

STATEMENT OF CASH FLOWS

(in thousands of dollars)

	March 31, 2013	March 31, 2012
Operating transactions		
Annual surplus	3,576	5,003
Non-cash items included in annual surplus increase/(decrease):		
Amortization	772	716
Change in prepaid expenses	221	(2)
Change in receivables	(4,008)	509
Change in payables and accrued liabilities	(94)	1,190
Change in deferred revenue	60	555
Cash provided by operating transactions	527	7,971
Capital transactions		
Proceeds on sale/writedown of tangible capital assets	76	10
Cash used to acquire tangible capital assets	(393)	(1,585)
Cash applied to capital transactions	(317)	(1,575)
Increase in cash	210	6,396
Cash at beginning of year	15,292	8,896
Cash at end of year	**15,502**	**15,292**

The accompanying notes are an integral part of these financial statements.

Industry Training Authority

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

1. Nature of Operations

Industry Training Authority (ITA) is a Crown agency established on January 2, 2004 and operates under the authority of the *Industry Training Authority Act*. ITA reports to the Legislative Assembly through the Ministry of Jobs, Tourism and Skills Training. The mandate of the ITA is to oversee occupational standards, credentialing, and apprenticeship for skilled trades and occupations in demand by industry and the BC labour market. It serves the public interest ensuring industry standards and credentials are in place for skilled trades and occupations, while providing individuals with accessible technical apprenticeship training opportunities that are closely linked to workplace opportunities. These services are grouped into the following key areas: standards, industry engagement, credential awareness, assessment and certification, training delivery and labour supply initiatives.

ITA is exempt from income taxes under the *Income Tax Act*.

2. Summary of Significant Accounting Policies

a) Basis of accounting

The financial statements are prepared by management in accordance with Canadian public sector accounting standards for provincial reporting entities established by the Canadian Public Sector Accounting Board.

b) Tangible capital assets

Tangible capital assets are recorded at cost, which included amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of assets.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Computer hardware and software	3–10 years
Leasehold improvements	10 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to ITA's ability to provide credentials and services. The net write-downs are accounted for as expenses in the statement of operations.

Transfers of capital assets from related parties are recorded at carrying value. ITA has recorded additions relating to computer software for apprenticeship records at carrying value.

c) Employee future benefits

i. The employees of ITA belong to the Public Service Pension Plan, which is a multi-employer joint trustee plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding.

The joint trustee board of the plan determines the required plan contributions annually.

The contribution of ITA to the plan is recorded as an expense for the year.

ii. The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for the coverage of employees during the period.

d) Prepaid expenses

Prepaid expenses include payments to private trainers for classes spanning the fiscal year end as well as other operational expenses and are charged to expense over the periods expected to benefit from the prepaid.

NOTES TO FINANCIAL STATEMENTS CONTINUED

for the year ended March 31, 2013

e) Revenue recognition
Revenues are recognized in the period when the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and are taken into revenue in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue in the period when they are used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

f) Expenses
Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

g) Foreign currency translation
Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions and there are no foreign denominated assets or liabilities existing at year end.

h) Financial instruments
ITA has the following financial instruments:

i. Cash
Cash includes cash held in a high yield account at a Canadian bank and is subject to an insignificant risk of change in value.

ii. Accounts receivables
Accounts receivables are primarily from the province or the federal government. They are subject to an insignificant risk of change in value.

iii. Accounts payables
Accounts payables are to trade and to the province and government related entities that are due within 30 days.

All financial assets and financial liabilities are measured at cost which approximates fair value due to the short term nature of these accounts.

i) Measurement uncertainty
The preparation of financial statements is in conformity with Canadian public sector accounting standards for provincial reporting entities. These standards require management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include: the useful life of tangible capital assets and rates for amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Industry Training Authority

NOTES TO FINANCIAL STATEMENTS CONTINUED

for the year ended March 31, 2013

3. Cash

(in $ thousands)	Mar 31, 2013	Mar 31, 2012
Unrestricted cash	**15,502**	**15,292**

4. Accounts Receivables

(in $ thousands)	Mar 31, 2013	Mar 31, 2012
Revenues receivable	12	4
Accrued interest	25	22
	37	**26**

5. Due from Government and Other Government Organizations

(in $ thousands)	Mar 31, 2013	Mar 31, 2012
Provincial government	6,756	3,512
Federal government	351	345
Other government organizations	749	2
	7,856	**3,859**

6. Accounts Payable and Accrued Liabilities

(in $ thousands)	Mar 31, 2013	Mar 31, 2012
Accounts payable and accrued liabilities	3,136	4,346
Salaries and benefits payable	455	505
Accrued vacation pay	90	63
	3,681	**4,914**

7. Employee Future Benefits

ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act*. BC Pension Corporation administers the plan, including payment of pension benefits to employees to whom the Act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan.

Information about obligations for retirement benefits and other employee future benefits is as follows:

a) Retirement and other employee future benefits — pension plan

ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act*. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The maximum contribution rate for eligible employees was 9.43% (2012: 9.28%). ITA's maximum contribution rate is 10.93% (2012: 10.28%). During the year ended March 31, 2013, ITA contributed $338 thousand (2012: $319 thousand) to the plan. These contributions are ITA's pension benefit expense. No pension liability for this type of plan is included in the financial statements.

An actuarial valuation is conducted every three years to assess the financial position of the Public Service Pension Plan's (PSPP's) pension fund. The most recent valuation was conducted as at March 31, 2011, and the results showed that the PSPP's basic account had a deficit of $275,401 million. The contribution rate increase effective April 1, 2012 to the basic account is relatively small, which is in part due to the 2010 rebound in the plan's investments. The actuary does not attribute portions of the unfunded liability to individual employers.

b) Long-term disability life insurance and health care benefits

ITA provides life insurance, dental and health care benefits to employees on long-term disability leave for a period of two years after the date of disability. The insurance carrier waives the life insurance premium for employees on long-term disability; however, ITA is responsible for the payment of the premium costs of medical, dental and Medical Services Plan under this plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured through employee paid contributions and are not included in this plan.

The accrued benefit obligations for employee future benefit plans as at March 31, 2013 is $6 thousand (2012: $3 thousand).

8. Due to Government and Other Government Organizations

(in $ thousands)	Mar 31, 2013	Mar 31, 2012
Federal government	4	11
Provincial government	391	288
Other government organizations	2,262	1,222
	2,657	**1,521**

ITA's liabilities to government and other government organizations are all amounts payable on demand and within a year. Other government organizations includes: colleges, universities and school districts.

9. Deferred Revenue

(in $ thousands)	Balance April 1, 2012	Receipts (repayments) during year	Transferred to revenue	Balance Mar 31, 2013
Tenant inducement Richmond office	500	-	53	447
BC Trades Awareness Campaign - province	-	400	232	168
Aboriginal research - province	55	(25)	30	-
	555	**375**	**315**	**615**

ITA received $530 thousand in tenant inducements for leasehold improvements to the Richmond office in fiscal 2012. This revenue is being deferred and recognized over the term of the lease.

ITA entered into an agreement with the province's Ministry of Advanced Education, Innovation and Technology for a BC Trades Awareness Campaign for $400 thousand.

ITA entered into an agreement with the province's employment and labour market services for a Labour Market Project for Aboriginal research for $170 thousand. $105 thousand was advanced to the ITA and the unspent funds were returned as of March 31, 2013.

Industry Training Authority

NOTES TO FINANCIAL STATEMENTS CONTINUED

for the year ended March 31, 2013

10. Fiscal Risk Management

ITA's financial instruments are not exposed to significant risk. They are measured at cost and include: cash; trade receivables and trade payables.

a) Cash
ITAs cash is made up of cash held in bank accounts in demand deposits.

i. Cash is not exposed to significant liquidity risk or market risk which includes currency risk and interest rate risk.

ii. ITA's objectives in managing these risks are to significantly minimize risk by:
(1) Holding cash in a chequing and a deposit account at a Canadian bank,
(2) In Canadian currency, and
(3) In interest bearing bank accounts.

iii. There have been no changes in the fiscal risks or ITA's objectives, policies or process, from the previous period.

b) Accounts receivables and due from government/other government organizations
Accounts receivables and due from government/other government organizations are primarily from the provincial and federal governments with less than 1% from trade receivables.

i. ITA's accounts receivables do not have significant credit, liquidity or market risk.

ii. ITA's objective is to keep all receivables current. Trade receivables that are past due are not impaired.

iii. There have been no changes in the fiscal risks or ITA's objective, policies or process, from the previous period.

c) Accounts payables
Accounts payables are to trade and to the province and government related entities and are due within 30 days.

i. ITA's accounts payables do not have significant credit, liquidity or market risk.

ii. ITA's objective is to keep all payables current.

iii. There have been no changes in the fiscal risks or ITA's objective, policies or process, from the previous period.

11. Contingent Liabilities — Pension

ITA has an accrual for an obligation arising from employees' potential voluntary purchase of past service in the Public Service Pension Plan of $50 thousand (2012: $53 thousand). Changes in the accrual are reflected in the Statement of Operations.

NOTES TO FINANCIAL STATEMENTS CONTINUED

for the year ended March 31, 2013

12. Tangible Capital Assets

2013 (in $ thousands)	Furniture and equipment	Computer hardware and software	Leasehold improvements	March 31, 2013 Total
Cost				
Opening Balance	481	6,298	600	7,379
Additions	-	393	-	393
Disposals	-	(146)	-	(146)
Closing Balance	**481**	**6,545**	**600**	**7,626**
Accumulated Amortization				
Opening Balance	271	2,464	34	2,769
Additions	78	634	60	772
Disposals	-	(70)	-	(70)
Closing Balance	**349**	**3,028**	**94**	**3,471**
Net book value	**132**	**3,517**	**506**	**4,155**

2012 (in $ thousands)	Furniture and equipment	Computer hardware and software	Leasehold improvements	March 31, 2012 Total
Cost				
Opening Balance	308	5,533	280	6,121
Additions	225	767	593	1,585
Disposals	(52)	(2)	(273)	(327)
Closing Balance	**481**	**6,298**	**600**	**7,379**
Accumulated Amortization				
Opening Balance	281	1,835	254	2,370
Additions	32	631	53	716
Disposals	(42)	(2)	(273)	(317)
Closing Balance	**271**	**2,464**	**34**	**2,769**
Net book value	**210**	**3,834**	**566**	**4,610**

Industry Training Authority

NOTES TO FINANCIAL STATEMENTS CONTINUED

for the year ended March 31, 2013

13. Contractual Obligations

ITA has entered into a number of multiple-year contracts for the delivery of services for operating leases for premises and equipment. The lease commitments are for space costs and exclude operating costs. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual obligations (in $ thousands)	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	There-after
Future operating lease payments — office	195	195	195	202	206	704
Future operating lease payments — copiers	12	8	-	-	-	-
	207	**203**	**195**	**202**	**206**	**704**

14. Expenses by Object

The following is a summary of expenses by object:

(in $ thousands)	Mar 31, 2013	Mar 31, 2012
ITO-delivered services	4,660	5,683
Training provider services (including Youth)	82,280	78,653
LMA contractor services (Women, Aboriginal & Immigrant)	8,493	8,040
Other operating costs	1,297	1,852
Compensation and staff development	4,900	4,842
Information systems/telecommunications	1,237	1,309
Communications and credential awareness	790	555
Building occupancy and other	361	512
Amortization	772	716
Loss on disposal/writeoff	76	10
Other administrative costs	1,287	1,114
	106,153	**103,286**

Compensation and staff development costs for all ITA employees are included in Administration in the Statement of Operations as all program delivery and employee activity is in support of ITA's single product Certificates of Qualification.

Building occupancy and other includes the moving costs related to the new consolidated offices on August 29, 2011.

15. Related Party Transactions

a) Board and Employees

An ITA director, appointed February 12, 2013, was also the Board Chair of Transportation Career Development Association of BC (transCDA) until his resignation from that position on April 8, 2013. ITA made payments of $844,736 to transCDA in 2012/13 ($785,460 in 2011/12). An ITA employee and an ITA director are directors of Skills Canada BC. ITA made a payment of $50,000 to Skills BC in 2012/13 ($0 in 2011/12). A senior manager of an ITA contractor is also an ITA director. ITA made payments of $550 to the contractor in 2012/13 ($0 in 2011/12). The Board members and employee did not take part in approval of the payments.

b) Province

ITA has the following transactions with the government and other government controlled organizations.

(in $ thousands)	Mar 31, 2013	Mar 31, 2012
Provincial general funding — Ministry of Jobs, Tourism and Skills Training	94,444	94,444
Provincial other funding/grants		
— Ministry of Jobs, Tourism and Skills Training	13,746	8,303
— Ministry of Advanced Education, Innovation and Technology	232	-
Crown — Trades Training Consortium BC	-	4,250
Operating — Queens Printer	404	383
	108,826	**107,380**
Transfers to :		
Post secondary institutions	70,890	70,159
School districts	6,329	4,088
Ministry of Education	226	165
Ministry of Citizen's Services — Accommodation and Real Estate Services	(6)	216
Queen's Printer & BC Mail Plus	467	711
Public Service Pension Plan	338	319
Service BC	337	332
Other government related entities	4	42
	78,585	**76,032**

16. Comparative Figures

Certain comparative figures have been restated to conform to current year's presentation.

17. Budgeted Figures

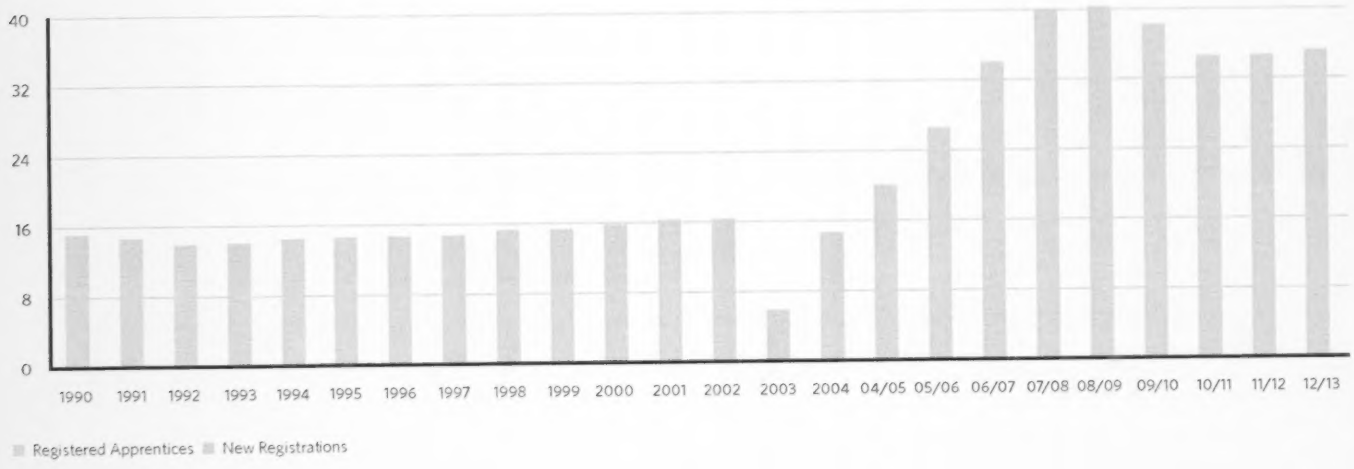
Budgeted figures as approved by the Board of Directors have been provided for comparison purposes.

KEY STATISTICS

The full bars in these graphs represent the total number of registered apprentices at the end of the relevant time period. The orange sections of the bars represent the proportion of that total made up of new registrations during the period. Registered apprentice figures from 1990–2002 and those from 2004 onward are not precisely comparable — as a result of the implementation of refined classification and tracking procedures — but provide an indication of relative participation levels over time. Sufficiently comparable numbers are not available for the 2003 transitional period immediately prior to when ITA was formed and only the new registration figure is shown for that time period.

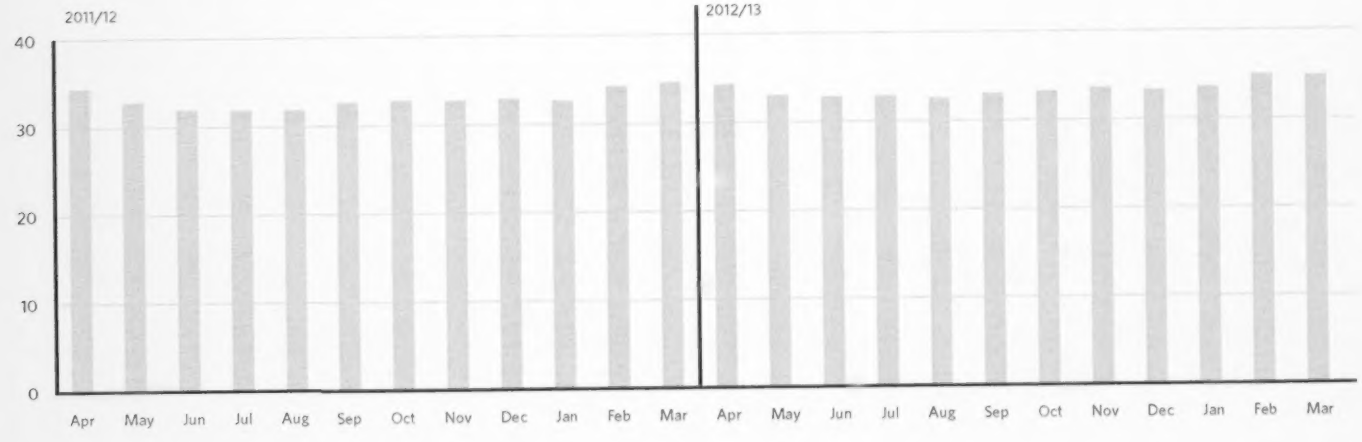
Historic Performance: Registered Apprentices and New Registrations

(in thousands)



Recent Performance: Registered Apprentices and New Registrations

(in thousands)



Figures include youth participants and exclude foundation program participants

Training Participants

(all registered apprentices as of March 31, 2013)

Clockwise from marked

Clockwise from marked

Operating Industry Training Organizations: Scope of Responsibilities

Total Apprenticeships Registered

as of March 31, 2013

18,455 Construction Industry Training Organization
5,193 Resource Training Organization
3,371 go2: The Resource for People in Tourism
2,874 Automotive Training Standards Organization
2,814 Transportation Career Development Association
1,518 Unassigned
641 HortEducation BC
175 Formerly Residential Construction Industry Training Organization

Total Apprenticeships Registered: 35,041

Number of Programs

Figures include youth participants and exclude foundation program participants

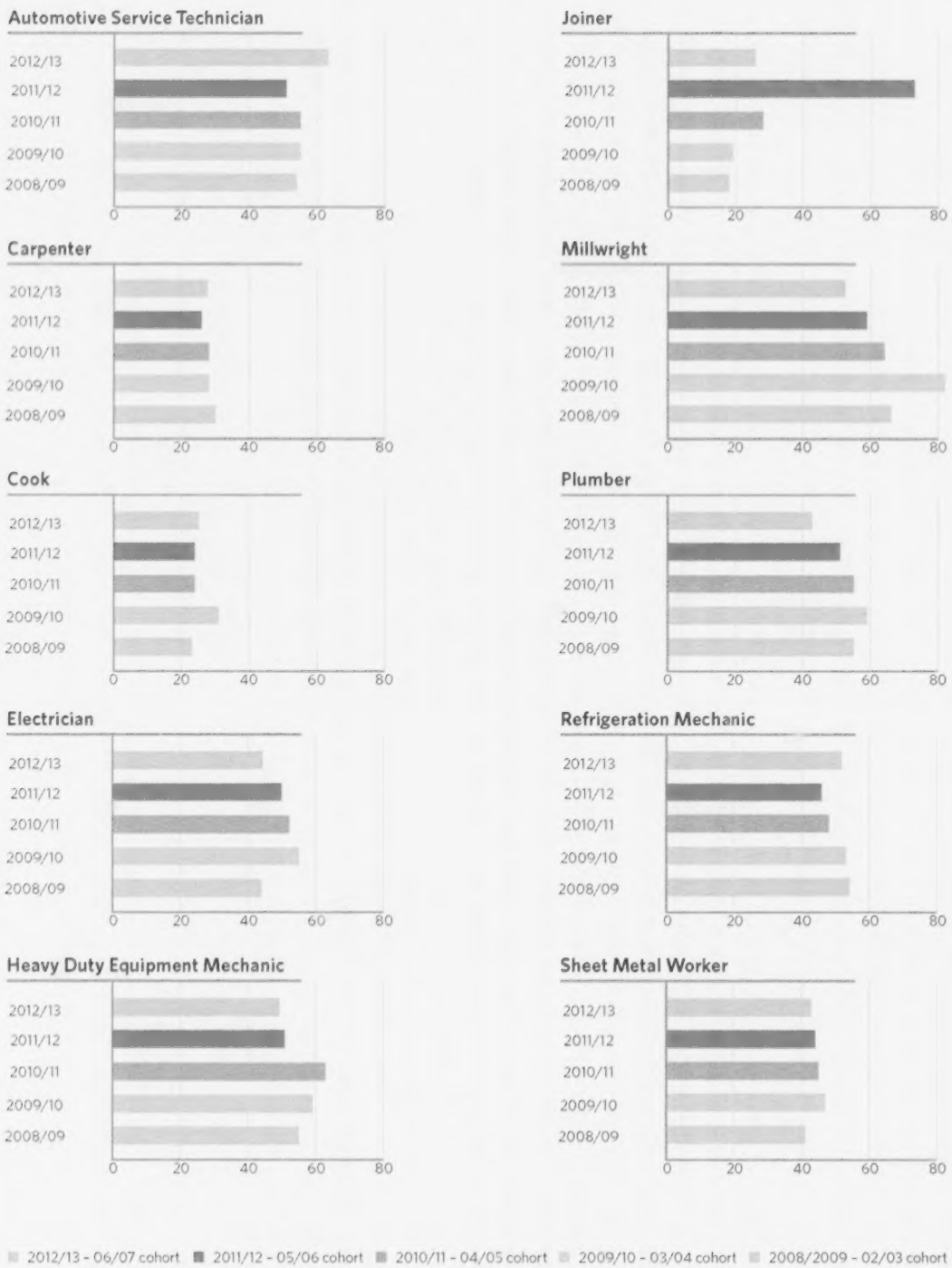
as of March 31, 2013

35 Non-ITO
34 Construction Industry Training Organization
23 Automotive Training Standards Organization
22 Transportation Career Development Association
16 Resource Training Organization
10 HortEducation BC
6 go2: The Resource for People in Tourism

Total Programs: 146

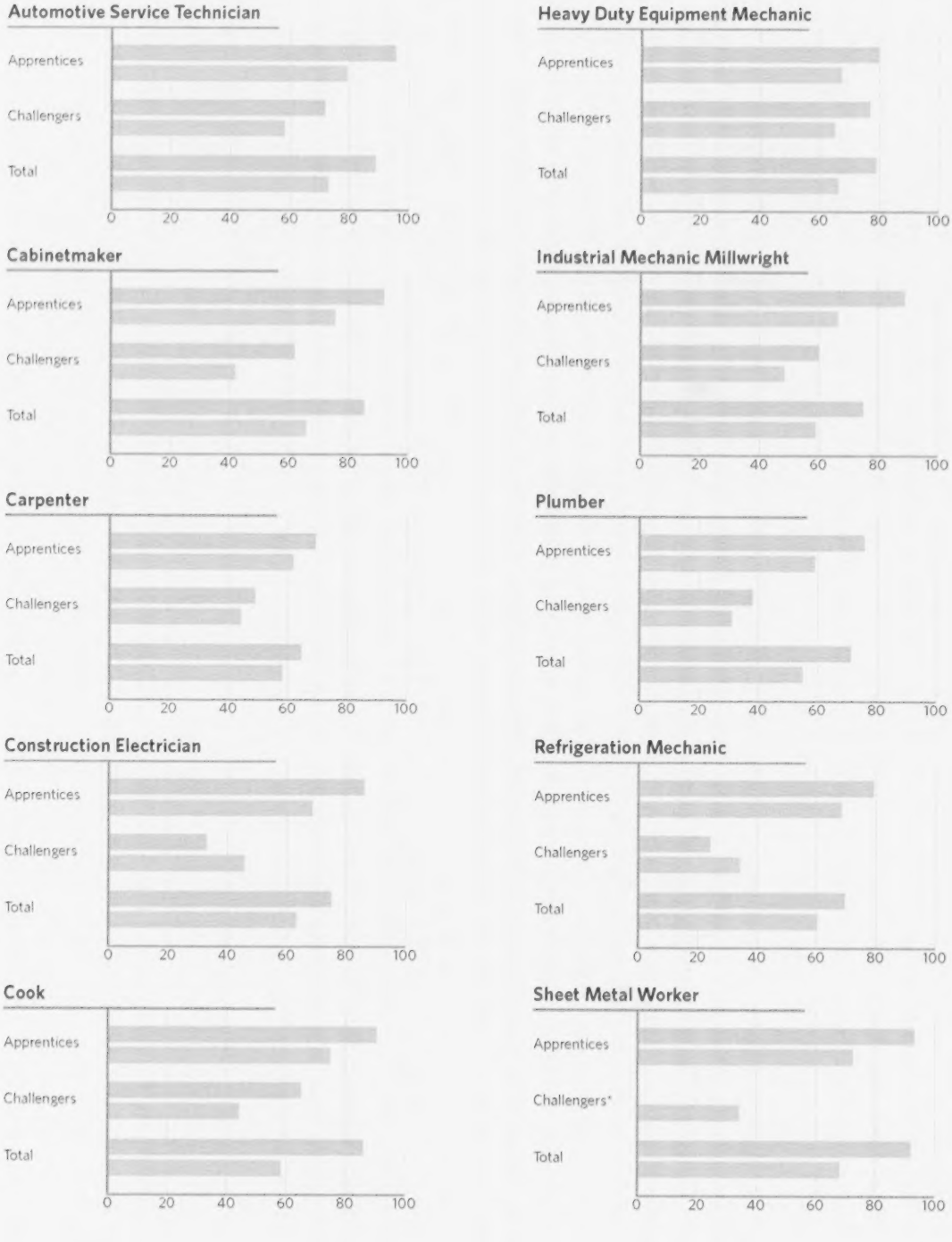
Completion Rates, Major Red Seal Trades

(average in percentage)



BC and National Examination Pass Rates, Major Red Seal Trades, 2012

Based on number of exams written (in percentage)



*Suppressed due to small numbers of challengers

GLOSSARY

Apprentice
A person who registers with the Industry Training Authority and pursues an industry training program — combining work-based training with technical or institution-based training — with the intent of obtaining an industry training credential.

Challengers/Challenge Process
Individuals who have not participated in a formal apprenticeship program in Canada, but who have been assessed and approved to undergo final certification assessment requirements based on their prior experience and existing skills.

Credential/Certification
Recognition that an individual has met the requirements of an industry training program either through participation in a formal apprenticeship program or through a challenge process. In BC, credentials take the form of provincial Certificates of Qualification (often issued with inter-provincial or Red Seal endorsements), Certificates of Apprenticeship, and Certificates of Completion (foundation programs).

Direct Access
An information management system designed to track system-wide performance, and provide apprentices and sponsors with the ability to register, access program information, check transcripts, enter training hours and trigger recommendation letters.

Competency-Based Assessment
Any of a range of standards-based means of assessing competency — such as interviews and observation of the practical application of defined skills — that are alternatives to written examinations.

Foundation Programs
Pre-apprenticeship and primarily school-based programs (including those formerly known as Entry Level Trades Training Programs) directly aligned with apprenticeship programs, and providing an entry point by which participants can earn credit for Level 1 technical training without the need for a sponsor who has committed to provide work-based training.

Industry Training Organization
An industry-directed, not-for-profit legal entity with responsibility for developing and managing industry training programs province-wide within a particular economic sector (e.g. automotive repair, horticulture, ICI Construction, transportation).

Industry Training Program
Any of a number of occupation-specific programs involving defined competencies and standards, assessment tools and a credential to be awarded upon successful completion. Includes both apprenticeship and foundation programs.

Labour Market Agreement
Bilateral agreements under which the federal government provides funding for specific labour market initiatives for which the province then assumes responsibility to design and deliver.

Occupational Performance Standards
Precise documentation of the level of workplace performance, based on defined criteria, expected by industry of a competent individual within a particular occupation.

Red Seal
A national program providing a standardized endorsement for specific occupations/trades and allowing for greater labour mobility across provincial/territorial boundaries. Upon successful completion of a Red Seal exam, a Red Seal endorsement is added to the provincial credential.

Sponsor
A qualified individual or other legal entity (often, but not necessarily, an employer) that commits to ensuring that an apprentice receives work-based training relevant to his or her industry training program, and under the direction of one or more qualified individuals.

Standard Level Exams
Examinations developed by ITA for standardized use by training providers in determining successful completion of a specific level of a multi-year apprenticeship program.

Technical Training
The institution-based (in-class or distance education) component of an industry training program that provides a combination of theoretical knowledge and practical skills to complement work-based training.

Utilization Rates
The proportion of available spaces within ITA-funded technical training programs that were actually filled by training participants (including programs offered at public post-secondary institutions, by private trainers, and as part of pilot programs).

ita
YOUR TICKET.

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